



**TO : Approved Participants
Registered Options Principals
Options Traders
Sales Managers**

April 2, 2002

**ANTICIPATED
CONTRACT ADJUSTMENT**

**ALBERTA ENERGY COMPANY LTD. (AEC)
PANCANADIAN ENERGY CORPORATION (PCE)
Anticipated Merger**

THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF THE CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE PLAN OF ARRANGEMENT. CDCC AND BOURSE DE MONTRÉAL INC. ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

DETAILS OF THE PLAN

Bourse de Montréal Inc. and CDCC hereby inform you that on January 27, 2002, Alberta Energy Company Ltd. (AEC) and PanCanadian Energy Corporation announced that their respective Boards of Directors have unanimously agreed to merge the two companies. Upon completion of the transaction, the combined organization will operate under the name EnCana Corporation.

Under the terms of the agreement, this merger of equals is to be accomplished through an arrangement under the Business Corporations Act of Alberta. It will feature a Common Share exchange through which AEC common Shareholders will receive 1.472 common share of PanCanadian for each common share of AEC they own.

The proposed merger is subject to approvals by the Shareholders of both companies, the Court of Queen's Bench of Alberta, and appropriate regulatory and other authorities. A special meeting of Alberta Energy and PanCanadian common shareholders will be held on April 4, 2002 to vote on the proposed merger. The transaction is anticipated to close in early April 2002.

THE FOLLOWING POSSIBLE ADJUSTMENT IS BASED ON THE ABOVE INFORMATION MADE AVAILABLE TO CDCC AND BOURSE DE MONTRÉAL INC. AT THIS TIME. THE DETERMINATION TO ADJUST AND THE EXTENT OF THE ADJUSTMENT ARE SUBJECT TO CHANGE AS ADDITIONAL INFORMATION BECOMES AVAILABLE OR IF THERE ARE MATERIAL CHANGES TO THE TERMS OF THIS PLAN OF ARRANGEMENT.

Circular no.: 039-2002

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CONTRACT ADJUSTMENT DETAILS

CDCC Adjustment details:

Pursuant to Terms of Adjustment Section B-606, all AEC options will be adjusted as follows:

IMPORTANT NOTE

It is already known that on completion of the merger, PanCanadian Energy Corporation will change name to EnCana Corporation under the new symbol ECA. Under these circumstances, **on the effective date, CDCC will transfer all PanCanadian Energy (PCE) open positions to the new option class ECA.**

- **ANTICIPATED EFFECTIVE DATE:** **On or about April 8, 2002.**
- **POSSIBLE OPTION SYMBOL:** **AEQ.**
- **POSSIBLE NEW DELIVERABLE PER CONTRACT:** **147 common shares of the new EnCana Corporation – (ECA)
(100 x 1.472)
*Cash in lieu of 0.2 EnCana Corporation common share.**

* The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable.

Please note that the above adjustment will affect the CPE option series (old CP). The actual PCE underlying is currently part of the CPE deliverables (66 PCE shares per CPE contract). On the effective date, CDCC will change the CPE deliverable from 66 PCE shares per contract to 66 ECA shares per contract.

Bourse de Montréal Inc. adjustment details:

It is important to note that on the effective date all open orders on the AEC options class will not be transferred to the AEQ class and will have to be registered again into the Montréal Automated System (SAM) by the approved participants.

On the effective date, Bourse de Montréal Inc. will rename the PanCanadian Energy Corporation to Encana Corporation and change the symbol from PCE to ECA. Furthermore, all open orders on the PCE options class will not be transferred to the ECA class and will have to be registered again into SAM by the approved participants.

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS CLASS ARE ADVISED OF THIS NOTICE.

More information will be made available by Bourse de Montréal Inc. and CDCC once the final details of the Plan of Arrangement will be known.

For further information, please contact your local CDCC office.

Claudine Samray
Deputy General Secretary