

**Dubai Acquisition of PrimeWest Energy—Immense Support  
for Careful Regulatory Review Because Buyer is a Foreign  
State-Owned Company and Strategic Resources Are Involved**

**BDO Dunwoody CEO/Business Leader Poll  
by COMPAS in the Financial Post  
for Publication October 1, 2007**



**COMPAS Inc.  
Public Opinion and Customer Research  
October 1, 2007**

## **1.0 Introduction**

By a 4:1 margin, CEOs and business leaders on the COMPAS business panel call for a careful regulatory review of the Abu Dhabi National Energy Company acquisition of PrimeWest Energy Trust because of the strategic resources involved. From their verbatim comments, many panelists are strongly concerned about letting the acquisition go through. Yet opinion is not unanimous.

Two related rationales elicit the most support for blocking the purchase—that “the Abu Dhabi state-owned company would have far too much of a say in deciding which countries our oil would be sold to” and “energy is too important to our national economy to allow a foreign state-owned company to buy such a significant stake.” From their verbatim responses, it is evident that panelists are concerned about foreign states owning Canadian assets, especially if strategic.

Panelists are not persuaded that it is important to consider blocking the sale because of a heightened risk of terrorists targeting Canadian petroleum or petroleum-transportation assets.

These are the key findings from the current web-survey of the panel of CEOs and business leaders undertaken for the *Financial Post* under sponsorship of BDO Dunwoody LLP.

## **2.0 Massive Support for a Careful Review**

As shown in table 2, panelists favour by overwhelming margins a careful regulatory review of the sale because of the strategic assets involved.



*Dubai Acquisition of PrimeWest Energy Trust Should Receive Careful Regulatory Review for Strategic Reasons—Overwhelming Opinion of Business Panel: A BDO Dunwoody Weekly CEO/Business Leader Poll by COMPAS in the Financial Post for Publication October 1, 2007*

---

*Table 2: Should Dubai Purchase of Energy Trust Receive Careful Regulatory Review for Strategic Reasons?<sup>1</sup>*

	%
Yes	74
No	17
Undecided	8
Don't know or no opinion	1

The nuances of panelists' opinions are reflected in the following verbatims:

Business is business, but assured control of a key resource is absolute. I would veto this sale to a US company, as their motive with respect to their politics would be the same - to ensure supply.

I am a Prime West shareholder, very happy to see [Dubai] take us over..., and they are just starting! Their purchase of my shares allows me to re-invest this money in other oil & gas investments which are not affected by the Halloween Massacre 2006 of "Income Trusts".

This is approximately the 10th purchase of a wounded Canadian income trust by a foreign investor. Perhaps by the 20th opportunistic purchase, the Federal Government will finally see blood in the streets (and the ownership of Canadian wealth in our natural resources seeping to savvy foreign investors) and re-write the proposed 2011(?) Articles

---

<sup>1</sup>“(Q1) State-owned Abu Dhabi National Energy Co. PJSC has agreed to buy PrimeWest Energy Trust, a senior player in the Canadian oil patch, for \$ 5 billion subject to regulatory approval. As you will recall, the U.S. Congress prevented another Dubai company from acquiring ownership in major U.S. ports for national security reasons. It is not 100% clear how Congress would react if a Dubai company tried to acquire a U.S. energy company. Do you think the intended purchase should be subject to a careful regulatory review given that they involved valuable strategic resources?”



*Dubai Acquisition of PrimeWest Energy Trust Should Receive Careful  
Regulatory Review for Strategic Reasons—Overwhelming Opinion of Business  
Panel: A BDO Dunwoody Weekly CEO/Business Leader Poll by COMPAS in  
the Financial Post for Publication October 1, 2007*

---

of Massacre. Or, we may have a different Federal Government altogether who will do so.

The issue I have with the Prime West purchase is a company owned by national government purchasing Canadian assets. That is where we should draw the line and say we only support foreign corporate investment. With the amount of capital available to the Chinese government, this is going to become a bigger issue in [the] future.

The question of foreign ownership has been with us for many, many years. We used to complain about the US buying up Canada. Now it is other countries.

One thing we should not forget is that Canada is close to becoming a creditor nation - a big change from owing more outside of Canada than we owed [inside of Canada].

Our financial institutions are spreading their global wings, so it does seem somewhat hypocritical if we complain about other [countries] buying Canadian assets. We also seem to be getting very good prices for those assets, which will be reinvested elsewhere after paying taxes to the Canadian government.

Effectively we have the governments of China, Abu Dhabi, and others becoming owners of Canadian assets and infrastructure. Free market principles did not anticipate this event. We should not sit back and do nothing.

This free market economy is rubbish. All countries abuse it in their own interests and the one with the most leverage carries the day.



### 3.0. Strategic Nature of the Resource Calls for Blocking Purchase

According to the panel, the key reasons for caution in regulatory approval are that strategic resources are involved and the purchaser is effectively a foreign government, as shown in table 3. Abu Dhabi’s perceived reasonableness in international affairs prompts a large minority, albeit a minority, to favour accommodating the purchaser to the extent possible. By contrast, a large minority favour blocking the sale because of the possibility of increased terrorism risks.

*Table 3: (Q2) Using a 7 point agreement scale where 7 means agree strongly and 1 disagree strongly, how much do you agree with each of the following opinions.*

Energy is too important to our national economy to allow a foreign state-owned company to buy such a significant stake.								
Mean	7	6	5	4	3	2	1	DNK
4.6	31	12	10	11	14	11	9	2
The Abu Dhabi state-owned company would have far too much of a say in deciding which countries our oil would be sold to.								
Mean	7	6	5	4	3	2	1	DNK
4.5	19	19	13	13	13	14	7	3
Abu Dhabi has shown a high degree of reasonableness compared to other countries in the region that we should do our best to accommodate its purchase.								
Mean	7	6	5	4	3	2	1	DNK
4.2	6	10	25	21	9	8	8	13
We’re a free market economy and the sale should be allowed to go through.								
Mean	7	6	5	4	3	2	1	DNK
3.8	8	13	17	18	10	17	13	5



*Dubai Acquisition of PrimeWest Energy Trust Should Receive Careful  
Regulatory Review for Strategic Reasons—Overwhelming Opinion of Business  
Panel: A BDO Dunwoody Weekly CEO/Business Leader Poll by COMPAS in  
the Financial Post for Publication October 1, 2007*

---

In our era of terrorism, it is too risky to allow a Middle East company to have a major stake in energy installations, which could well become excellent terrorist targets.								
Mean	7	6	5	4	3	2	1	DNK
3.8	13	12	14	16	8	20	15	3

## 4.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted September 26 – 28, 2007. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of 121 are deemed accurate to within approximately 8.9 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D and Tamara Gottlieb.

