

FILE COPY

CANADA - NOVA SCOTIA OFFSHORE PETROLEUM BOARD

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File No.: 30,008.23/EDP50,001

December 19, 2006

Mr. Roger J. Hunka
MERDS Advisor/Facilitator
Netukulimkewe'l Commission
PO Box 1320
Truro, NS
B2N 5N2

Dear Mr. Hunka:

RE: Environmental Assessment Track Report

This letter is in response to your questions, in the letter dated November 2, 2006, on the Environmental Assessment Track Report associated with the Deep Panuke Offshore Gas Development Project.

The duty of the crown consult with Aboriginal Peoples regarding fiduciary rights falls outside the mandate of the Canada Nova Scotia Offshore Petroleum Board (CNSOPB), as the CNSOPB is an independent quasi-judicial Board responsible for regulation of offshore oil and gas activities. The CNSOPB has consulted with the governments and is satisfied that there is a process in place for First Nations consultation respecting this project. Details on their process may be obtained from Natural Resources Canada or the Nova Scotia Department of Energy. If you are not contacted by the governments regarding this matter, please contact the Board again and we will pursue this with the governments.

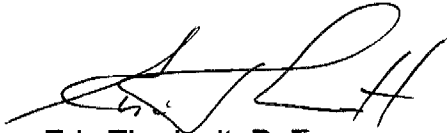
As described in the Canadian Environmental Assessment Act and the scope of the environmental assessment (EA) for the Deep Panuke project, the EA must consider the environmental effects of the project, including any effect of any change on the current use of lands and resources for traditional purposes by First Nations.

With respect to the Benefits Plan, it is now publicly available on the CNSOPB website: <http://www.cnsopb.ns.ca/whatsnew/pdf/Volume 3 Benefits Plan.pdf>. A copy of the Applications and a complete Public Record is also available for

viewing on the Deep Panuke Coordinated Public Review Secretariat website:
www.deeppanukereview.ca.

Thank you for your comments and your continued interest in this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Theriault', with a stylized flourish at the end.

Eric Theriault, P. Eng
Advisor, Environmental Affairs

cc. Tim Shanks, NRCan
George Foot, NSDE