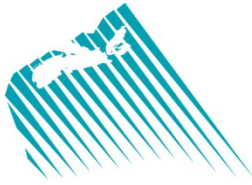


CNSOPB



CANADA-NOVA SCOTIA
OFFSHORE PETROLEUM BOARD

Halifax, N.S. -In response to expressions of interest from the petroleum industry the Canada-Nova Scotia Offshore Petroleum Board has made two separate calls for bids for new exploration licences offshore Nova Scotia. Call for Bids NS97-2 is for six exploration licences on land parcels in the Sable Island Area totaling approximately 528,334 hectares. Call for Bids NS97-3 is for five exploration licences on land parcels in the Laurentian Channel Area totaling approximately 1,411,960 hectares. (Enclosure #1) Both calls will remain open until April 30, 1998. Bidding on each land parcel will be based solely on the amount of money proposed to be spent on exploration of the lands during the first period of the nine year Exploration Licence. The minimum bid to be considered for each land parcel is \$1-million (Canadian).

Successful bidders will be required to post security in the form of a guaranteed promissory note equal to 25% of the work expenditure bid. This Work Deposit is refundable to the extent of 25% of allowable expenditures, determined in accordance with set rates. The first period of each licence will be five years, but this may be extended to six years by posting an additional deposit of \$250,000 as security for the drilling of a well. If a well is drilled during the first period of the licence, the term of the licence will be extended to a total of nine years. Rentals will be applicable during the second period only; these are \$2.50 a hectare, but are fully refundable to the extent of allowable expenditures incurred during the second period.

The Canada-Nova Scotia Offshore Petroleum Board is an independent joint agency of the governments of Canada and Nova Scotia responsible for the regulation of exploration, development and transportation of petroleum in the Nova Scotia offshore area.

Further information may be obtained from the Board's office at 1791 Barrington Street, 6th Floor, Halifax, N.S. B3J 3K9, or may be requested by fax sent to (902) 422-1799 or by phoning (902) 422-5588, or the CNSOPB website URL <http://www.cnsopb.ns.ca> Email can be sent to postmaster@cnsopb.ns.ca

Detail Map of Parcels

