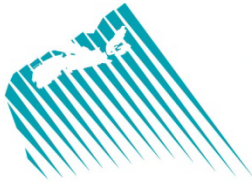


CNSOPB



CANADA-NOVA SCOTIA
OFFSHORE PETROLEUM BOARD

TO: All Media

DATE: June 17, 1998 FOR: Immediate Release

SUBJECT: Board Announces Call for Bids

Halifax, N.S. - In response to expressions of interest from the petroleum industry, the Canada-Nova Scotia Offshore Petroleum Board has issued Call for Bids No. NS98-1. This call is for three exploration licences with a total area of 328,298 hectares located northeast of Sable Island offshore Nova Scotia. (Attachment #1) This Call will remain open until 4:00 PM local time November 3rd, 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 five year 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 and 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 petroleum activities offshore Nova Scotia. Its mandate includes safety of operations, protection of the environment, resource conservation and Canada-Nova Scotia benefits.

For additional information contact:

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Attachment: Call for Bids NS98-1 Map

Detail Map of Parcels

