

TO: All Media
DATE: March 31, 2000
FOR: For Release at 2:00 PM
SUBJECT: SOEP Production Operations Authorization

Halifax, NS -- The Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) today has issued new conditions of authorization for the operation of Sable Offshore Energy Inc.'s (SOEI) offshore facilities at Thebaud and Venture. The new conditions apply to the Production Operations Authorization issued December 1999 and refer specifically to the Fibreglass Reinforced Plastic (FRP) firewater systems installed on the two platforms offshore.

Pursuant to earlier conditions, the Operator was required to assess the long-term integrity of the system. The Operator was also required to retain FRP specialists, acceptable to the Board, including one of North America's leading FRP Acoustic Emission (AE) test specialists. Testing was recently completed offshore by the specialists and was witnessed by the Certifying Authority, Lloyd's Register. The independent specialists submitted their Reports to the Board and the Certifying Authority and concluded that the systems have appropriate integrity to safely continue operations offshore for at least the next twelve months, with additional analysis and testing required to demonstrate the longer term integrity. The Board, in consultation with its independent FRP specialist and the Certifying Authority, has authorized the continued operation of the offshore facilities.

The long-term integrity of the systems is still in question. As a result, the Board has now revised its conditions of authorization and advised the Operator that the long-term integrity and reliability of the FRP systems offshore must be demonstrated to be fully compliant with all requirements of the applicable codes and standards by March 30, 2001. In addition, the Board requires the Operator to fully demonstrate its plans for meeting this requirement by September 29, 2000.

The Canada-Nova Scotia Offshore Petroleum Board is the independent joint agency of the governments of Canada and Nova Scotia responsible for the regulation of petroleum activities and resources offshore Nova Scotia.

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