

Board issues Call for Bids and Seeks Written Submissions

(Halifax, NS) – The Canada - Nova Scotia Offshore Petroleum Board (CNSOPB) has issued Call for Bids No. NS07-1. The Call consists of two shallow water parcels located within the Sable Sub-basin, an area where 23 Significant Discoveries have been made to date. Bids must be received by Monday, June 30, 2008, 4:00pm AST.

The public is invited to submit written comments to the Board on the lands included in the Call for Bids. Written submissions must be received by Monday, June 16, 2008, 4:00pm AST. Such submissions will be considered by the Board before an Exploration Licence is issued. The lands are within the areas included in the *Sable Offshore Energy Project Environmental Impact Statement(1996)* and the *Deep Panuke Offshore Gas Development Project Comprehensive Study Report(2007)*.

About the parcels

Parcel 1

- Light oil/condensate was discovered at the Penobscot field in early Cretaceous sandstones.
- CNSOPB estimates of original oil in place are between 77 – 225 MMBbls.
- Recoverable reserves are estimated at 26 – 80 MMBbls.
- Additional deep exploration potential exists on the parcel in the Jurassic carbonate bank beneath the existing Penobscot discovery.

Parcel 2

- Gas was discovered at the Eagle field in a late Cretaceous chalk reservoir.
- CNSOPB estimates of original gas in place are between 892 – 1,670 Bcf.
- Recoverable reserves are estimated between 283 - 720 Bcf.
- A number of exploration prospects have been identified on the parcel, near the Eagle field.

Infrastructure in the area includes the Sable Offshore Energy Project and a subsea gas pipeline to markets in Eastern Canada and the United States. The Deep Panuke offshore gas project is currently under development in the area, and includes the construction of a second subsea pipeline. The Cohasset Panuke offshore oil project was also located in the area. Production ran from 1992-1999, producing a total of 44.5 MMBbls of oil.

The successful bidder(s) will be awarded an Exploration Licence (EL) subject to federal and provincial Ministerial approval. The ELs will contain new terms and conditions, including:

- A lower minimum work expenditure bid, reduced from \$1,000,000 to \$500,000;
- Deferred work deposits: work deposits can be submitted after three years, rather than upfront in the first year. (A work deposit is 25% of the work expenditure bid); and
- 150% credit on allowable expenditures incurred in the first three years of the licence.

Should the successful bidder later seek a Significant Discovery Licence for the lands, the SDL will be subject to refundable escalating rentals.

Written Submissions

Written submissions from the public should be sent to: Manager, Resources & Rights Canada - Nova Scotia Offshore Petroleum Board; 6th Floor, TD Centre; 1791 Barrington Street; Halifax, Nova Scotia; B3J 3K9 or via e-mail at callforbids@cnsopb.ns.ca.

More information on the Call for Bids is available at www.cnsopb.ns.ca, including:

Call for Bids NS07-1 Package – Licencing Terms & Conditions

Call for Bids NS07-1 CD-Rom Information Package

CNSOPB Data Management Centre: www.cnsopbdmc.ca



About the Board

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.

For further information, please contact:

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