



An Overview of Atlantic Canada Exploration and the Environmental Legislative Process, Offshore Nova Scotia, Canada

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Offshore New Ventures Exploration

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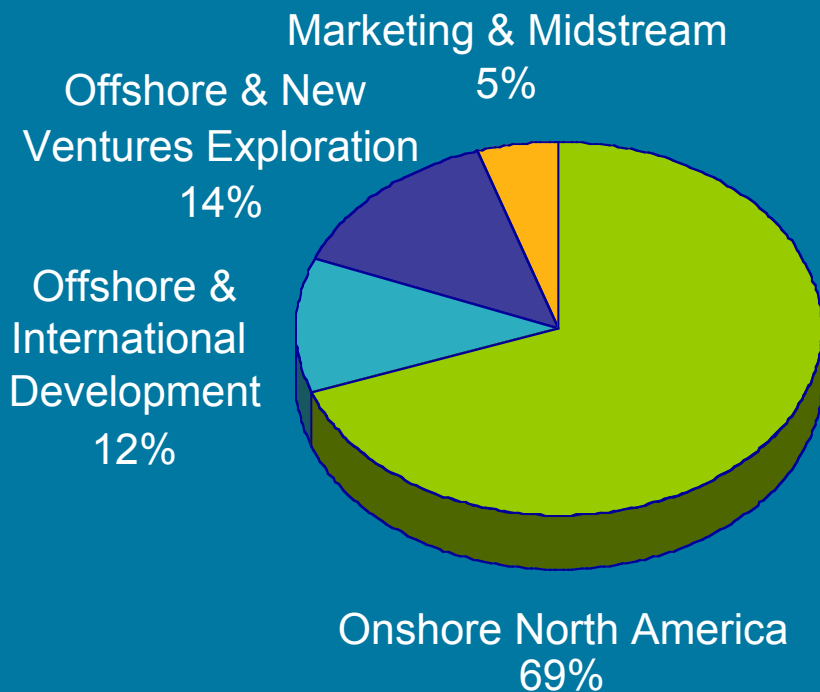
Facts about EnCana Corporation

- High quality assets – Opportunity Rich Portfolio
- Strong North American natural gas strategy
- Superior oil growth; domestic and international
- Balance sheet positioned for growth
- 590,000 BOE daily production (2002F, after royalties); 64% gas
- 2.3 billion BOE proved reserves (year-end 2001, after royalties); 51% gas
- 90% of reserves and production in North America
36 million acres net undeveloped land
- Approximately US\$20 billion Value (as of July 24, 2002)

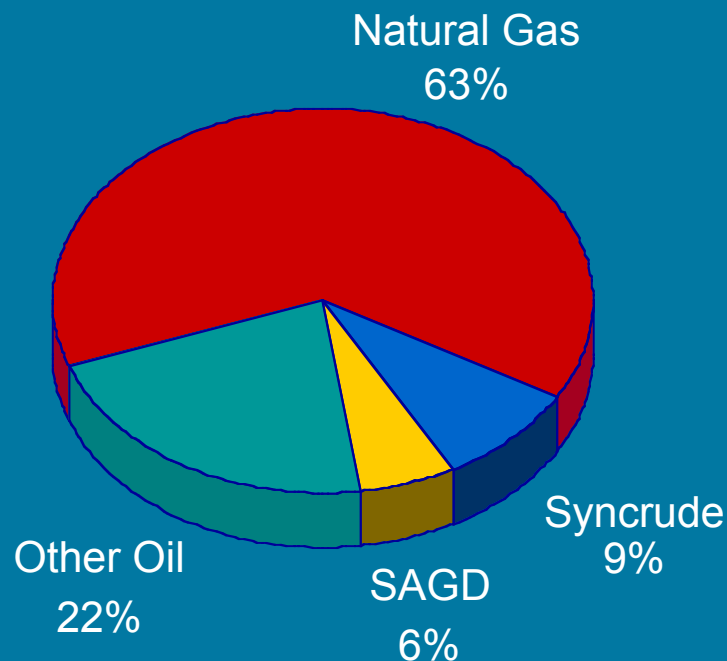
2002 EnCana Capital Budget

*US\$3.2 Billion Gross**

Division Breakdown



Onshore North America Breakdown



* Prior to planned net dispositions of US\$950 million

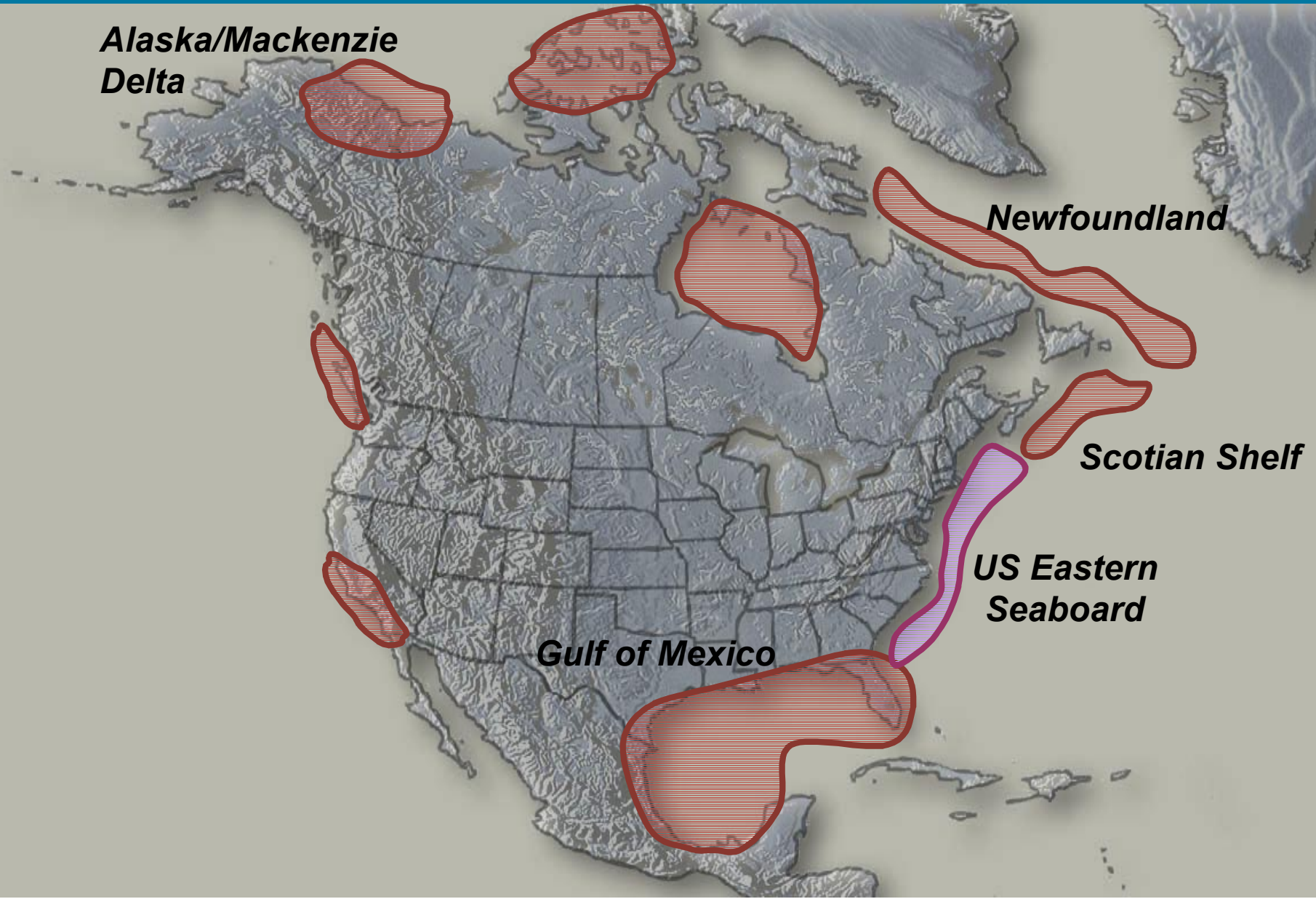
A World Class International Independent



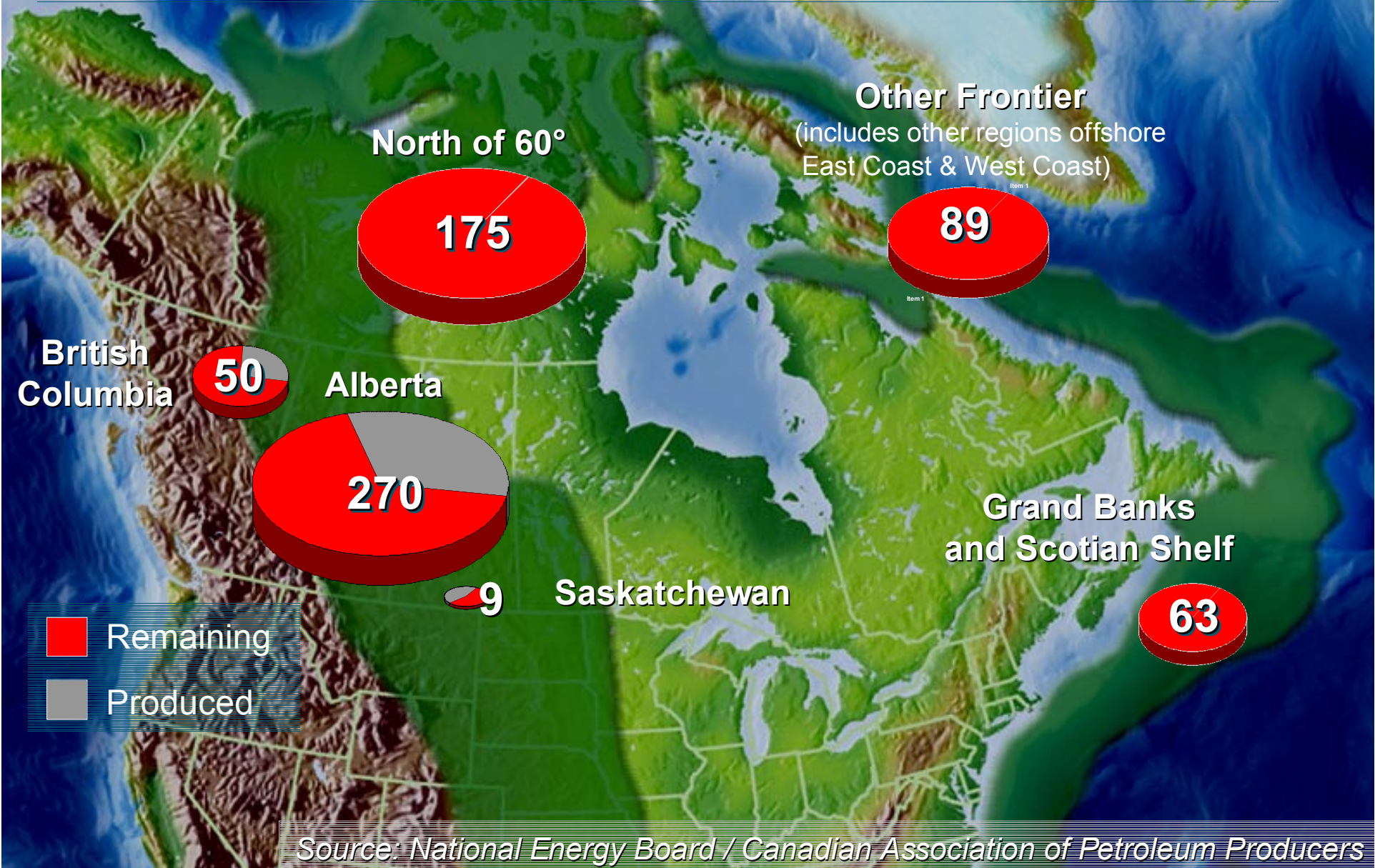
Six Key Growth Platforms



North America Offshore Basins



Canada: How Much Gas is Out There?

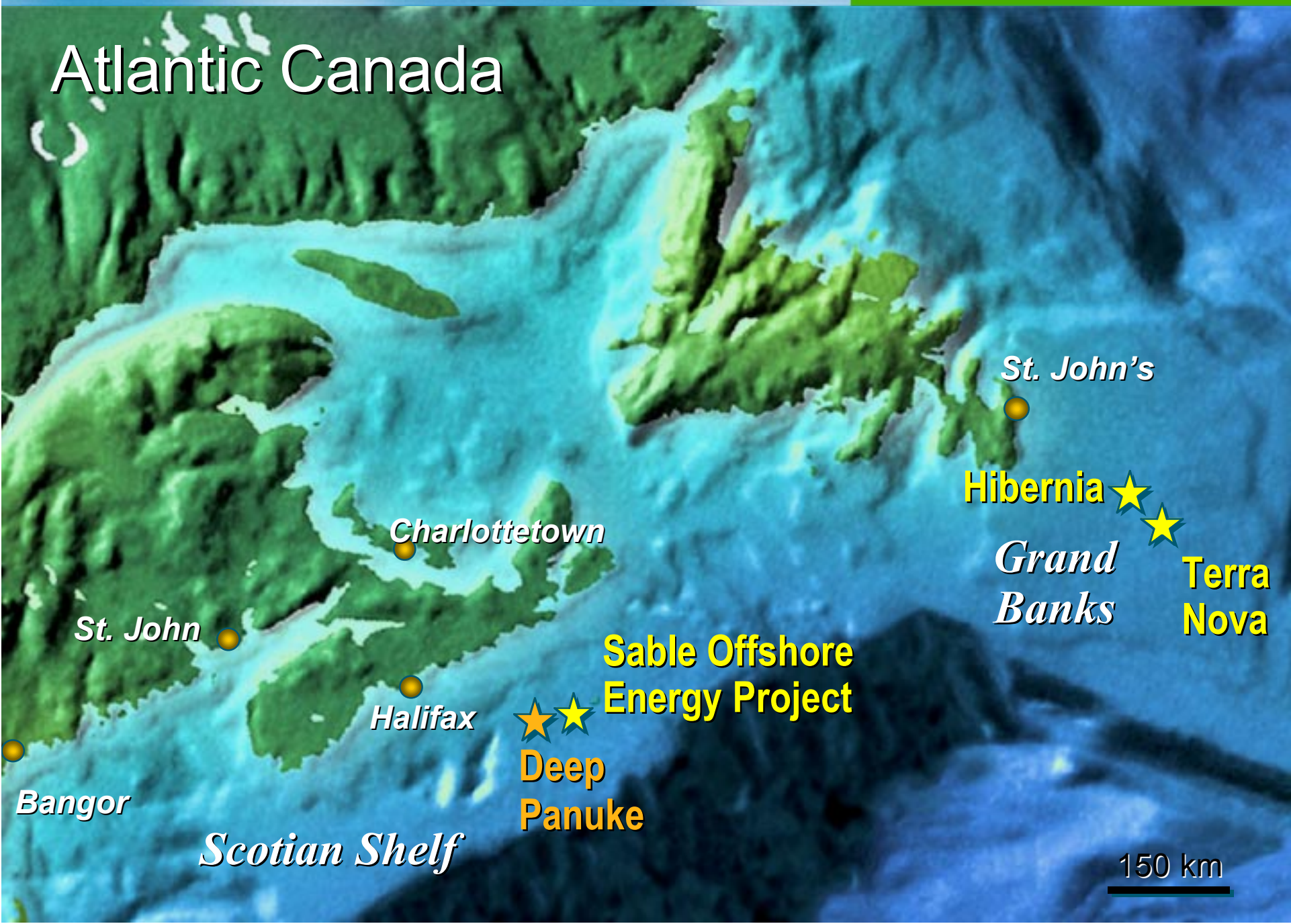


US Atlantic Margin



- Area > 250,000 km²
- Reservoir
 - Jurassic Carbonates
 - Jura-Cretaceous Sands
 - Tertiary Sandstones
- Source
 - Jurassic\Cretaceous Marine Shales
- Traps
 - Listiric Normal Fault Plays
 - Stratigraphic Pinch-outs
 - Reef Margins
- Potential (USGS)
 - 16 - 45 Tcf
 - 1 - 4 Billion Barrels

Atlantic Canada



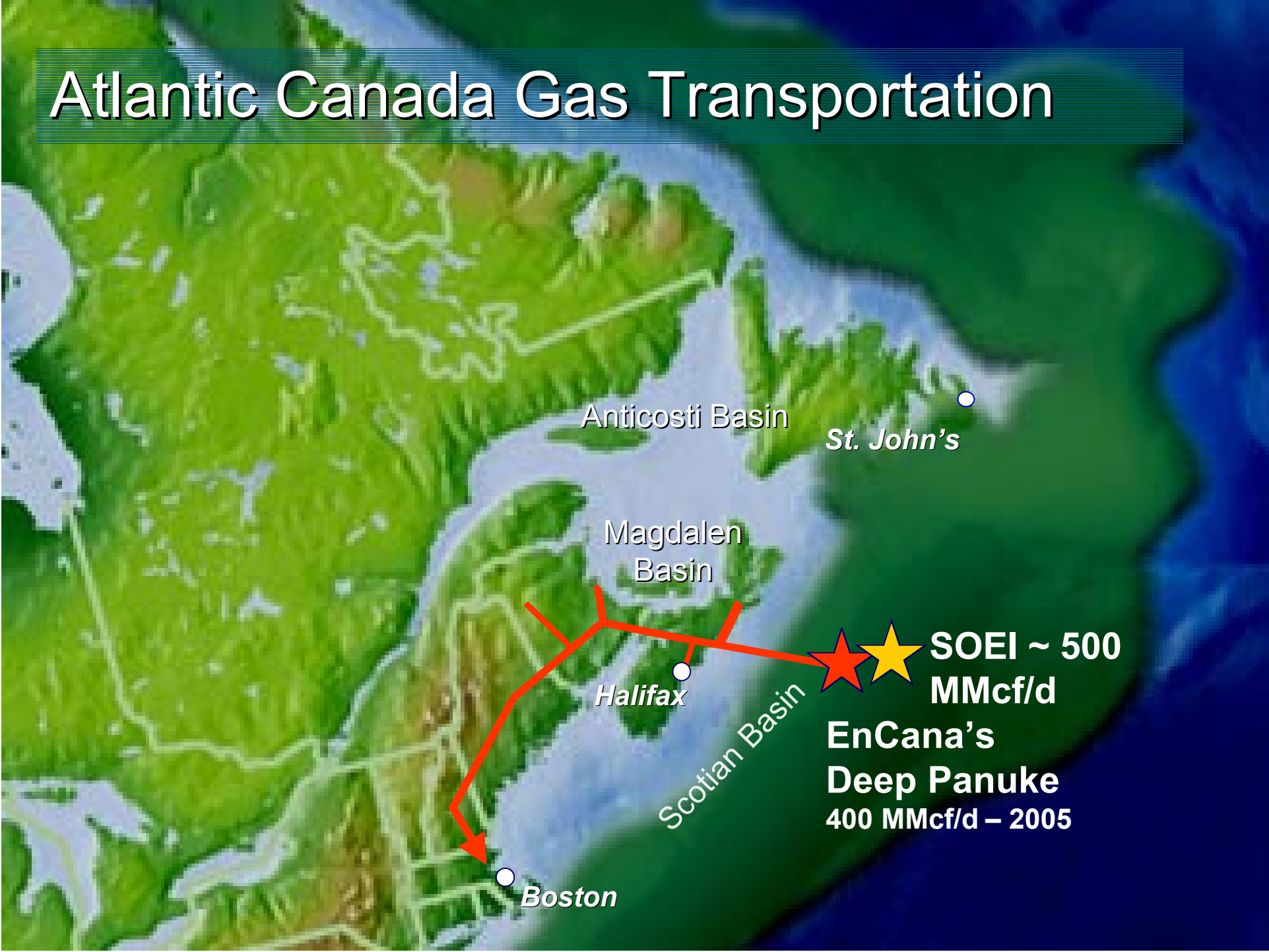
Hibernia Production Platform



Terra Nova Floating Production System



Atlantic Canada Gas Transportation



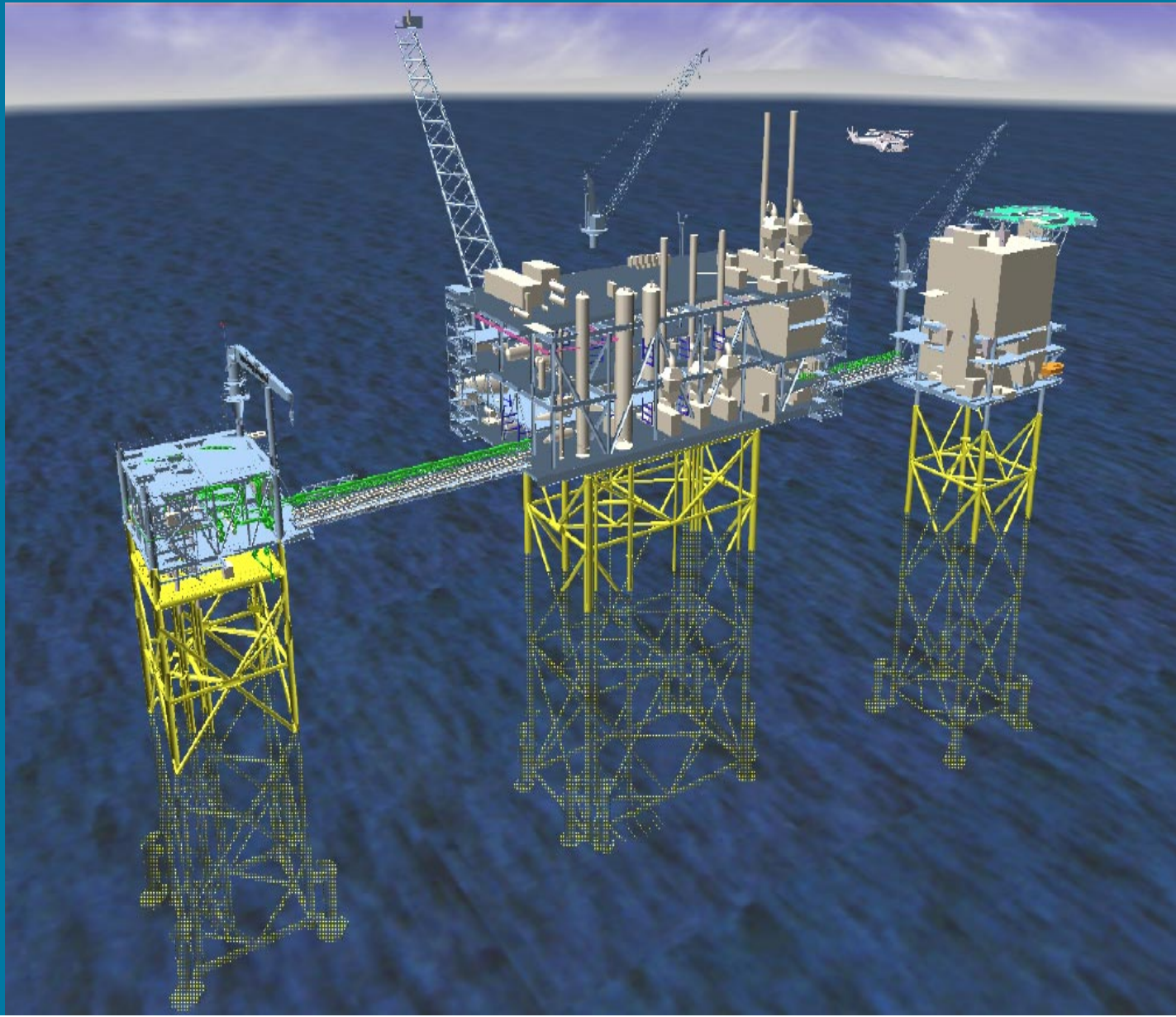
Sable Offshore Energy Platforms



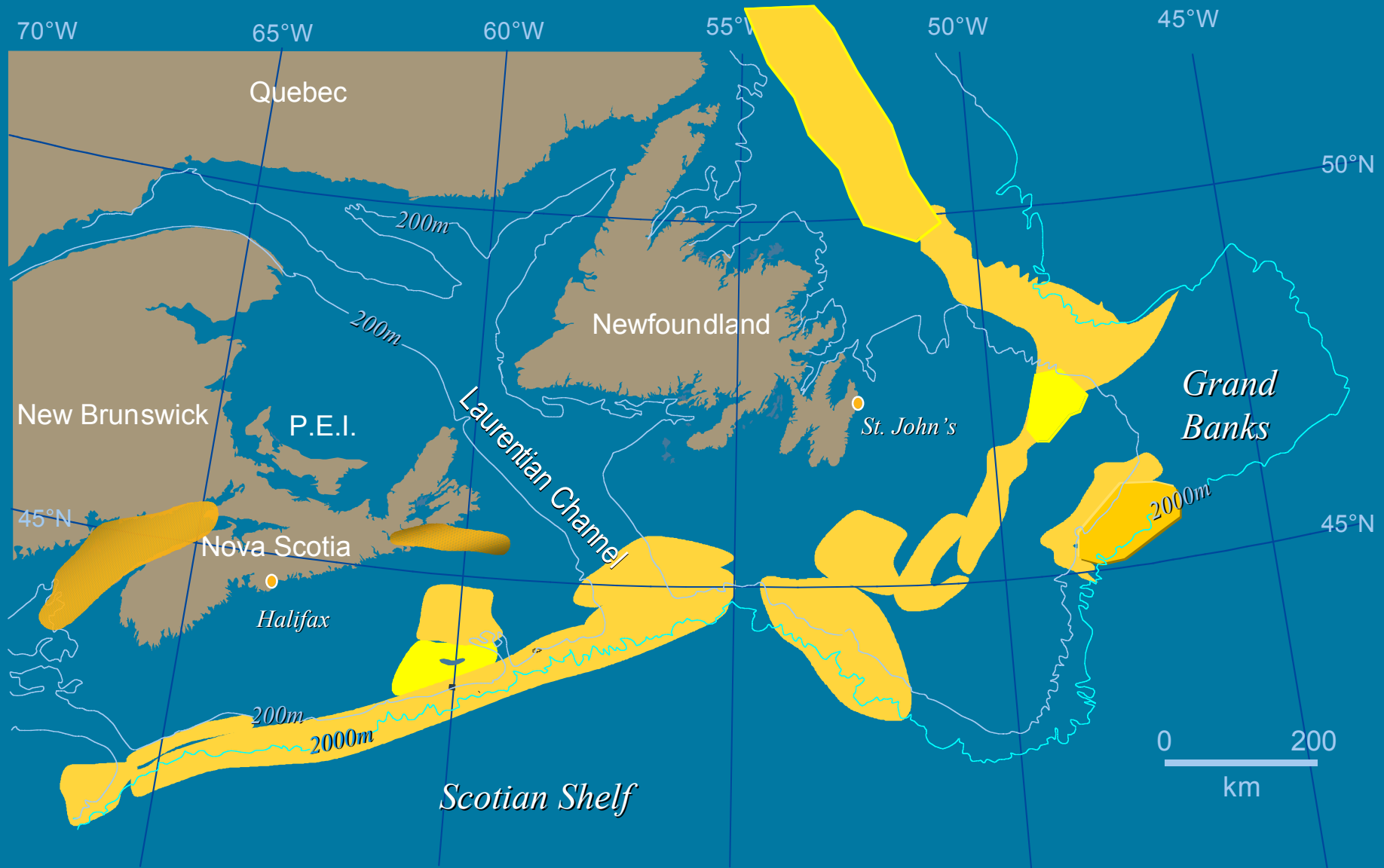
Sable Thebaud Central Facility



Deep Panuke Facilities Design

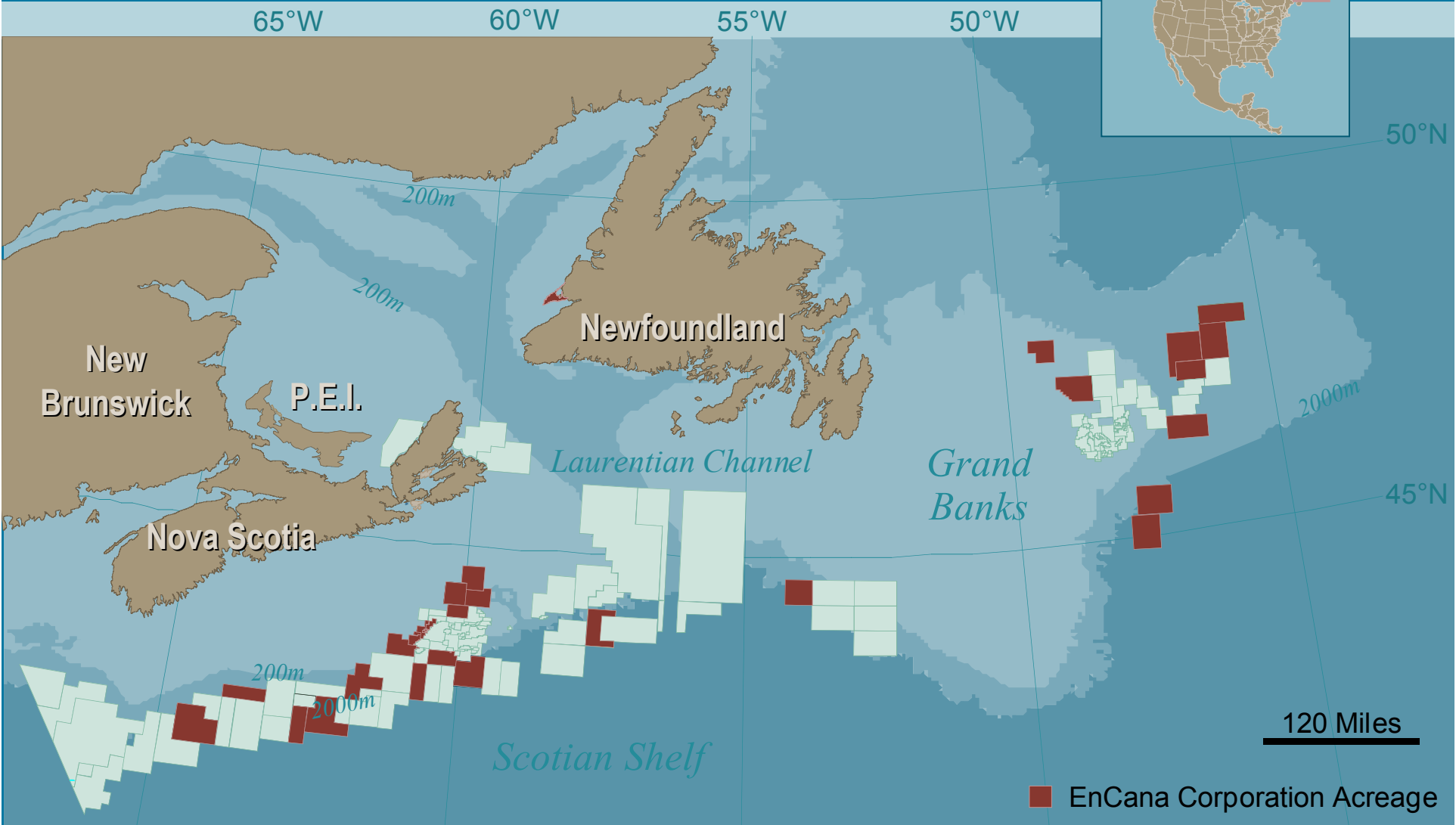


Atlantic Canada Mesozoic Subbasins

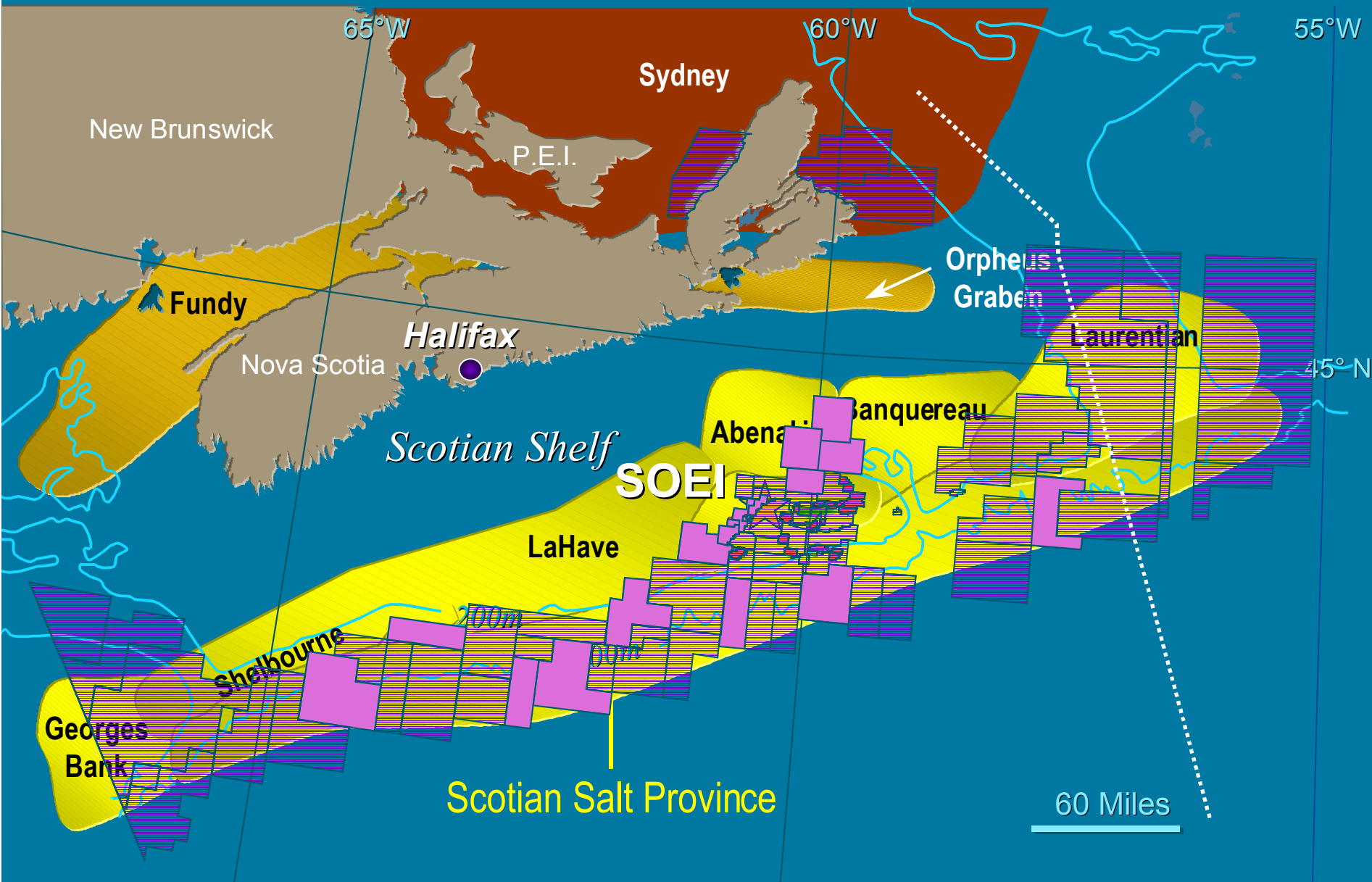


Atlantic Canada

Regional Land Overview



Scotian Shelf Subbasins



Regulation of Canada East Coast Waters

- The Government of Canada and the Atlantic Provinces agreed to jointly administer the offshore by use of independent offshore boards
- Two Boards: Canada-Nova Scotia and Canada-Newfoundland Offshore Petroleum Boards
- Boards consist of two federal, two provincial and one joint members
- Each Board Staff Administers: HSE, Resource Rights, Local Benefits, and Operations Management

Canada Nova Scotia Offshore Petroleum Board

■ **Mission Statement**

- *To regulate petroleum activities offshore Nova Scotia in an efficient, fair and competent manner.*

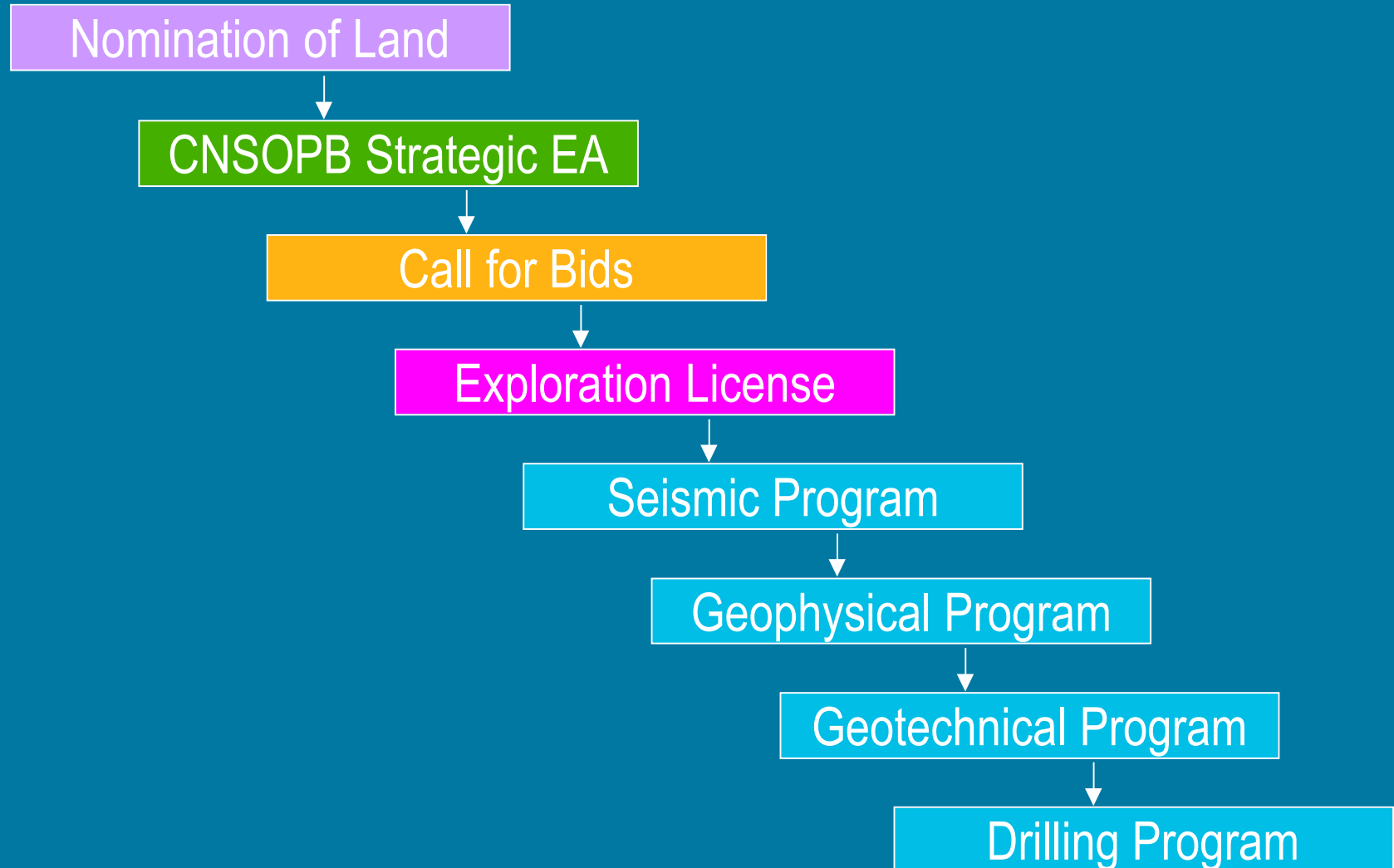
■ **Mandate**

- *The Canada-Nova Scotia Offshore Petroleum Board is the independent joint agency of the Governments of Canada and Nova Scotia established pursuant to the federal Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and the provincial Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act. It is responsible for regulation of petroleum affairs and safe practices offshore Nova Scotia.*

■ **The Board's principal responsibilities include**

- *Ensuring the safe conduct of offshore operations*
- *Protection of the environment during offshore petroleum activities*
- *Management of offshore oil and gas resources*
- *Review of industrial benefits and employment opportunities*
- *Issuance of licenses for offshore exploration and development*
- *Resource evaluation, data collection and distribution*

CNSOPB Land Issuance & Program Procedures Overview



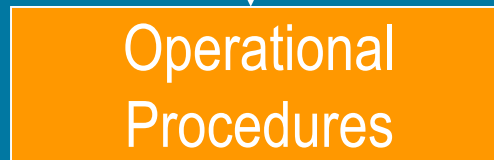
Environmental Procedures for EL's

Standard Field Program (Common)

PLANNING



OPS



REPT.



Consultation Process

Environmental Procedures

Seismic Program (Specific Process)

PLANNING

Environmental Assessment
Identify critical time/areas for
fishing/mammals/spawning

OSRP

Program's Approval

OPS

Fisheries Liaison Observer (FLO)
Ramp-up of airguns

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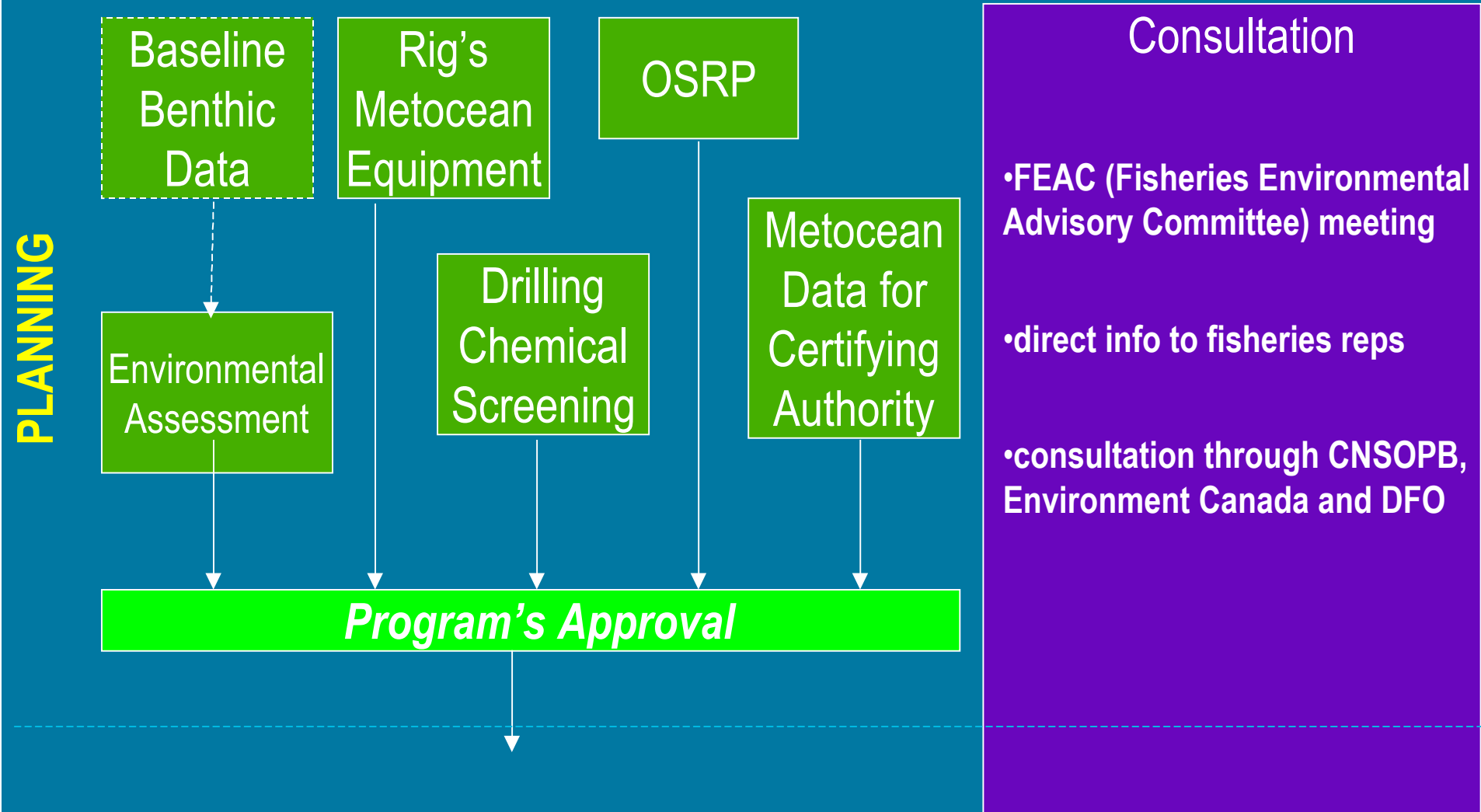
FLO Report

Consultation

- FEAC (Fisheries Environmental Advisory Committee) Meeting
- Direct information to Fisheries Representatives
- Consultation through Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) and the Federal Departments of Environment Canada and the Department of Fisheries and Oceans (DFO)
- Notices to Mariners
- Fisheries Compensation

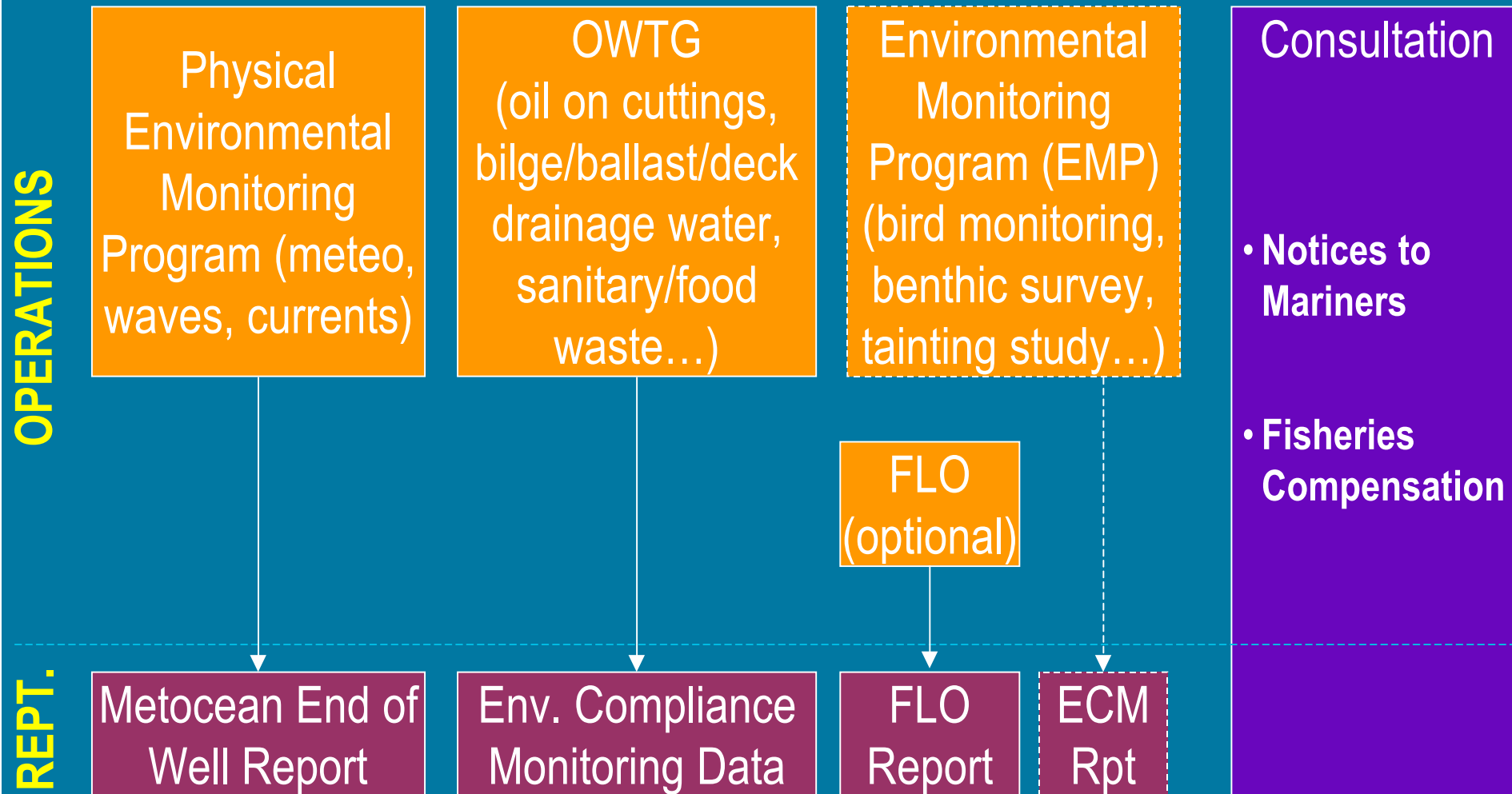
Environmental Procedures

Exploration Drilling Program, Pre-Drill (Specific Process)



Environmental Procedures

Exploration Drilling, While Drilling, (Specific Process)



Environmental Procedures

Environmental Assessment Process 2003 Modifications

■ Existing CNSOPB Process (Timelines)

- 30-day review by CNSOPB, DFO, Environment Canada
- NS Seismic Class Screening EA (1998, LGL document)
- NS Drilling Generic Assessment (2000, LGL document)

■ New CEAA (Canadian Environmental Assessment Act) Process Timelines

- Effective Q1/03 (earliest)
- Screening Study: wellsite surveys, seismic surveys, and exploration drilling in area previously assessed under CEAA
 - 6-month review
- Comprehensive Study: exploration drilling in new area
 - 12-month review

Websites for Additional Information

- Canada Nova Scotia Offshore Petroleum Board
 - www.cnsopb.ns.ca
- Canada Newfoundland Offshore Petroleum Board
 - www.cnsopb.nfnet.com/
- Terra Nova Project
 - <http://www.terranoaproject.com/>
- Hibernia
 - www.hibernia.ca/
- Sable Offshore Energy Inc.
 - www.soep.com