



June 29, 2010

Lloyd Doyle
Corporate Operating Officer
Northern Operating Unit
Paramount Resources
4700 Bankers Hall West, 888 3rd Street SW
Calgary, AB T2P 5C5

Dear Mr. Doyle:

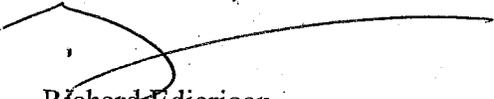
Re: Your letter of May 31, 2010 regarding draft terms and conditions for Land Use Permit MV2005B0021

The Review Board issued its Report of Environmental Assessment on Paramount's proposed SDL8 seismic program on November 14, 2006. In its report the Review Board provided the reasons for its decision, citing evidence from various sources, including information from the Government of the Northwest Territories, Alberta's Boreal Caribou Committee as well as British Columbia's Oil and Gas Commission. This evidence convinced the Board that the development as proposed was likely to cause a significant adverse impact on the environment, particularly boreal caribou and its habitat. Consequently, the Review Board recommended to the Minister of Indian and Northern Affairs and the National Energy Board that they approve the proposed development subject to certain mitigation measures. The evidence in question is described in the Report of Environmental Assessment.

On July 20, 2009 the Minister of INAC and on August 11, 2009 the National Energy Board accepted the Review Board's report including the measure limiting seismic line width to 2.5 metres. According to sub-section 130(5) of the Mackenzie Valley Resource Management Act the responsible ministers and regulatory authorities, such as the Mackenzie Valley Land and Water Board, are now required to carry out the decision.

The Review Board's role in this matter is complete. We no longer have the authority to respond to your request.

Sincerely



Richard Edjericon
Chairperson

C: Minister of Indian and Northern Affairs
Chairperson, Mackenzie Valley Land and Water Board