

March 1, 2012

Deze Energy Corporation  
205 5102-50<sup>th</sup> Ave.  
Yellowknife, NT  
X1A 3S8

Delivered by Hand

Attn: Mr. Don Balsillie, Chairperson

Dear Mr. Balsillie,

**Re: Status of the Taltson Hydro Expansion Project**

In March 2011, Deze Energy requested a pause to the environmental assessment of the Taltson expansion project to investigate line routing and address economic gaps. The Review Board continues to hold the environmental assessment in adjournment.

Please provide an update regarding the status of the project, along with your best predictions for when you expect to ask the Review Board to resume the environmental assessment, and your confidence level in that prediction. It would also help the Review Board if you could explain what factors will influence Deze's timing for this.

If you have any questions, please call me at (867) 766-7056.

Thank you,

(Original signed by)

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Alan Ehrlich  
Manager of Environmental Impact Assessment

