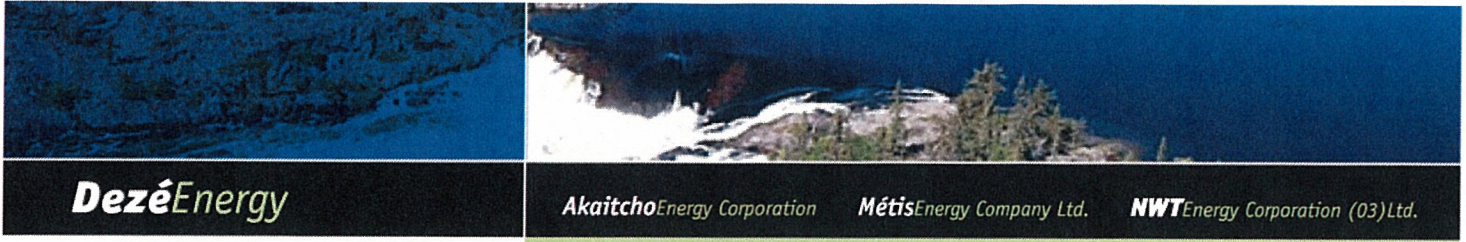


A.E.



206, 5102 - 50th Avenue, Yellowknife, NT X1A 3S8 Phone: (867) 669-3390 Fax: (867) 669-3395

Mr. Vern Christensen
 Executive Director,
 Mackenzie Valley Environmental Impact Review Board
 200 Scotia Centre
 Box 938, 5102-50th Ave
 Yellowknife, NT X1A 2N7

hand delivered



March 02, 2011

Re: Taltson Hydro Expansion Project Requests Regulatory Pause

The development of the Taltson Project was premised on Dezé Energy's ability to finalize power purchase agreements, secure regulatory approvals and make a construction decision in time for mobilization on the 2012 winter road. Given current project timelines, this objective is no longer achievable.

Dezé has effectively lost a year in project planning and respectfully requests more time in order to review project structures, engage communities and further assess the NWT market for power.

Dezé Energy commits to updating the Board on a quarterly basis over the next year and will re-engage in the regulatory process as soon as critical economic gaps are addressed. At that time Dezé will have a clearer understanding of transmission routing and be pleased to revisit the Review Boards request for:

- A revised routing proposal for the hydroelectric transmission line around the East Arm of Great Slave Lake that avoids crossing the Lockhart River, and
- An analysis of the likelihood of environmental impacts resulting from the proposed revision to the transmission line routing.

Please contact Dan Grabke at (867) 766-5078 or email DGrabke@nwtec.ca if you have any questions in this regard.

Yours Sincerely,

Don Balsillie, Chairman
 Dezé Energy Corporation

