



October 5, 2012

Don Balsillie, Chairman
Deze Energy Corporation
206, 5102-50th Avenue
Yellowknife, NT X1A 3S8

Dear Mr. Balsillie;

Re: Deze Energy Taltson Hydro Electric Expansion – EA0708-007

Thank you for your letter of August 30, 2012 advising the Review Board that Deze Energy had no new information regarding when it would be ready to re-engage with the regulatory and environmental assessment process.

This environmental assessment has been adjourned since March 2011 at Deze's request, awaiting new information regarding changes to the project design. Since that time Deze Energy has reported quarterly that no new information is available and has not provided any definitive indication of when that information can be expected.

The next progress report is due from Deze Energy at the end of November. The Review Board requests a more definitive indication of when the anticipated information can be expected in that report so that this environmental assessment can recommence.

Included in the November report should be an update regarding the status of the project, along with your best predictions for when Deze Energy expects 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 in this regard.

In the absence of this information, the Review Board may be forced to consider a timeline for closure of the Deze Energy Taltson Hydroelectric Expansion EA0708-007.

Your cooperation is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Vern Christensen".

Vern Christensen
Executive Director