

Report on Consultations with Study Area Fishers and FFAW Representatives, Rocky Harbour, 20 October 2008 - GSI / NWest 2008 3D Survey, West Coast NL

Introduction

On 17 October 2008 the C-NLOPB authorized (Program Number 8924-G005-019P) GSI to proceed with its proposed seismic survey on behalf of NWest Energy Inc. One of the conditions attached to this authorization was the requirement to undertake additional consultations with fisheries participants at a meeting to be held on 20 October 2008 in Rocky Harbour.

On 16 October, in support of GSI's application, the FFAW's Fisheries Liaison Co-ordinator (FLC) wrote Ms Kim Coady saying that this consultation meeting was acceptable to the FFAW, even though it was scheduled to take place several days after survey operations commenced. His email noted: "due to the low level of current fishing activity in the project area, the FFAW is comfortable with NWest/GSI commencing their 2008 seismic operations, with a provision of conducting a fisheries consultation(s) in the affected communities. Although consultations should be performed in advance of any seismic program, the meeting proposed for next week is acceptable for this portion of the program only."

The Board requested the proponent to prepare a report of the 20 October fishers consultation meeting and submit it to the Board no later than 27 October 2008.

In addition, in correspondence leading up to the authorization, the Board's Environmental Assessment Officer also asked the proponent to outline plans or approaches for fisheries consultation for exploration program activities which it anticipates undertaking in 2009 and beyond. It was subsequently agreed (S. Canning and K. Coady telephone call, 15 October) that any such plans could be outlined and described in this report.

A meeting took place at the Fisherman's Landing Hotel in Rocky Harbour on the evening of 20 October. The venue was arranged by the FFAW, and the meeting was advertised via the Fisheries Broadcast for several days and by word of mouth. Representatives of NWest Energy, GSI and their consultants attended the meeting together with FFAW officials and individual fishers. The Agenda for the meeting is presented in Appendix A, and Appendix B lists the names of the persons attending the meeting.

Issues, Concerns and Comments

Following general introductions of the presenters and a brief review of the purpose of the meeting by S. Canning of Canning & Pitt, Francois Gauthier gave a detailed overview of NWest interests and holdings in the NL West Coast oil and gas sector, described the geology of the three prospect areas and outlined in some detail the proposed seismic program and its purpose. He also spoke about NWest's longer-term exploration expectations and development planning.

GSI's Vessel Manager presented general information on GSI's survey methods and approaches, and provided additional details about the proposed NWest survey. Jeffery Parks of CRA, the EA authors, briefly described the overall EA process and then focused on the fisheries analysis that his firm undertook for the EA report.

The FFAW's Fisheries Liaison Co-ordinator explained the Union's interest in the oil and gas sector, and its involvement in fisheries-oil and gas industry consultations and survey vessel monitoring procedures (e.g. via on board FLO's) over the past 6-7 years. Mr. Coady also explained to fishers that the usual practice is to organize and undertake consultations prior to the start of a survey, and went on to mention some of the reasons why this evening's meeting was being held a few days after the survey began.

Following these presentations, there was a short discussion on some general aspects of seismic survey operations in response to comments from some of the participants.

For the benefit of fishers attending the meeting who might not be familiar with oil and gas exploration programs, J. Coady explained that fishers have recommended, as a "general rule", that seismic survey operations should not be scheduled during the spring and summer months in the relevant area.

He went on to note that, since fishers are most at risk (i.e. to any potential negative effects from seismic activities), meetings such as this one offer an opportunity for fishers to ask questions.

During his presentation, GSI's Vessel Manager was asked if he was aware of any negative effects from seismic operations on fisheries in other jurisdictions. He responded with some comments based on his experience in the Gulf of Mexico during the past 20 years. He said that seismic operations have been going on for decades in that area and, in his view, do not appear to have done any harm to shrimp stocks, nor have they had a negative effects on shrimp fishers. He noted, for example, that many shrimp vessels prefer to fish right alongside a seismic vessel because the noise from the air-guns appears to startle the shrimp off the sea-bed and thus make them easier to harvest.

In response to these comments, J. Spingle said that, in his view, the "jury is still out" on potential effects, especially on shellfish species. He therefore suggested that both industries need to generate more information on possible effects.

Fishers asked how long would it take to complete the program. GSI's Vessel Manager said he expected the program would be completed by the end of December. NWest's representative hoped this would also be the case but it was possible that operations might spill over into January.

Consultations in 2009 and Beyond

S. Canning asked fishers and fisheries industry representatives about what they thought should be the most appropriate and effective way for the proponent to approach and undertake consultations for any upcoming exploration programs in 2009, and beyond.

The FFAW's Fisheries Liaison Co-ordinator said that, above all, the fishing industry desires, and needs, "early notice". Thus it is essential that the proponent contact his office, and fishers, as soon as the company has its 2009 plans "firmed up".

J. Coady stated that the FFAW, and fishers, would thus like to know as soon as possible what GSI / NWest's exploration plans for 2009 will be. He went on to note that, when the FFAW has that information, it can then inform relevant fishers and also undertake its assessment (of the proponent's plans). In this way, the FFAW would be able to advise the proponent the best way to proceed with its plans, e.g. it might recommend not to undertake a seismic survey during the time when there are "soft-shell" crab in the prospect area.

NWest's CEO said he was in full agreement with the general approach the FFAW had suggested, and made a commitment to keep in close communication with the FFAW and with the office of the Fisheries Liaison Co-ordinator over the next few months as NWest made its plans.

He pointed out, however, that there is some possibility that NWest may not undertake any further, or additional, seismic surveys in 2009, or even in the next few years. He said that, if NWest obtains the "right" data from the 2008 survey, it is possible that it may decide to proceed directly to the Drilling EA preparation stage. If this is the case, NWest will inform the FFAW as soon as it makes its decision and, from that point on, the proponent will be fully engaged in consultations with the fisheries industry, and the FFAW, concerning that stage in the development process.

Appendix A: Meeting Agenda, 20 October Rocky Harbour Fisheries Meeting

Fisheries Industry Consultation Meeting - Geophysical Service Incorporated (GSI) / NWest Energy Inc. 2008 3D Survey, West Coast NL

Fisherman's Landing Hotel, Rocky Harbour – 20 October 2008

Meeting Agenda

1. Introductions and meeting purpose - Strat Canning, Canning and Pitt Assoc., Inc.
2. Overview of NWest Energy and the planned 2008 survey - Francois Gauthier, CEO, NWest Energy Inc.
3. Survey vessel operations, GSI Pacific - Mike Turner, GSI Vessel Manager, and Houston
4. Environmental Assessment and Fisheries Overview - Jeffrey Parks, EA Consultants (Conestoga-Rovers & Associates), Halifax (Sue Belford will also be available via conference call from Montreal, if required)
5. Fishing Industry Perspectives - Jamie Coady, Oil and Gas Co-ordinator, FFAW, St. John's
6. General Discussion - Issues, Concerns and Questions

Appendix B: Persons Attending the 20 October Rocky Harbour Fisheries Meeting

Fisheries Industry

Terry Decker, fisher, Rocky Harbour
Ernest Decker, fisher, Rocky Harbour
Will Decker, fisher, Rocky Harbour

Jason Spingle, FFAW Biologist, Corner Brook Office
Roland Hedderson, FFAW Business Agent, Straitsview
Jamie Coady, FFAW Fisheries Liaison Co-ordinator, St. John's

For the Survey

Francois Gauthier, CEO, NWest Energy Inc, St. John's
Mike Turner, GSI Vessel Manager, Houston
Jeffrey Parks, EA Consultant, Conestoga-Rovers & Associates, Halifax
Strat Canning, Fisheries Consultant, Canning and Pitt, St. John's