



January 13, 2009

Ms. Vanessa Pennell Mercer
PDI Production Inc.
10 Fort William Place
Suite 201, The Baine Johnston Centre
St. John's, NL A1C 1K4

Dear Ms. Pennell Mercer:

Re: PDI Production Inc. Port au Port Ocean Bottom Cable Seismic/VSP Program
Environmental Assessment

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment report for the above noted program in consultations with the federal and provincial fishery and environmental departments.

Based on a review of the EA report, there were comments and concerns raised by the reviewers concerning the proposed ocean bottom cable seismic/VSP survey. The attached review comments have to be addressed by PDI Production Inc. before a screening report can be issued by the C-NLOPB. It is also recommended that a meeting be arranged with representatives of PDI Production Inc., the C-NLOPB and DFO to discuss the commitment to a monitoring program for lobster. The value of a monitoring program seems especially important given that much of the survey area is in fairly shallow water lobster habitat and airguns having fairly high source levels (around 255 dB 0-peak) are planned for use.

You may contact me at your convenience to discuss any of these matters. I may be reached at 709-778-4232 or via email at eyoung@cnlopb.nl.ca.

Yours truly,

Original signed by E. Young

Elizabeth Young

Enclosure

cc D. Burley