

June 30, 2011

Mr. Derek Sullivan
Health, Safety and Environment Manager
2 Steers Cove
Level 2, Cormack Building
St. John's, NL
A1C 6J5

Dear Mr. Sullivan:

Re: Statoil Canada Limited – Geophysical Program for the Jeanne d’Arc and Central Ridge/Flemish Pass Basins 2011 to 2019 Environmental Assessment

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has reviewed the environmental assessment (EA) information regarding the proposed geophysical survey program in the northeastern Grand Banks offshore area as described in the “*Environmental Assessment for Statoil’s Geophysical Program for the Jeanne d’Arc and Central Ridge/Flemish Pass Basins, 2011 to 2019*” (March 2011), the “*Addendum to the Environmental Assessment of Statoil’s Geophysical Program for the Jeanne d’Arc and Central Ridge/Flemish Pass Basins, 2011 to 2019*” (June 2011) and *Statoil Canada Ltd. correspondence (June 22 & 29, 2011)*. The C-NLOPB, as Responsible Authority under the *Canadian Environmental Assessment Act*, has completed our environmental assessment determination respecting the Project. A copy of our determination is enclosed for your information.

The EA Report, EA Addendum and other correspondence, as referenced above, describes the Project in sufficient detail and provides an acceptable assessment of the potential environmental effects of the Project. We have considered this information and the advice of the Boards’ advisory agencies and have determined, in accordance with Section 20(1) (a) of the *Canadian Environmental Assessment Act* (CEA Act) that the proposed project, following the application of mitigation measures, is not likely to cause significant adverse environmental effects.

At the time of application for subsequent program authorizations in the Project Area, Statoil Canada Limited will be required to provide information to the C-NLOPB. This information should outline the proposed activities, confirm that the proposed program activities fall within

the scope of the previously assessed program, and indicate if, with this information, the EA predictions remain valid. In addition, Statoil Canada Limited shall provide information regarding the adaptive management of requirements of the SARA into program activities (e.g., introduction of new species or critical habitat to Schedule 1; additional mitigations; implementation of recovery strategies and/or monitoring plans). If there are any changes in the scope or if new information becomes available that may alter the EA conclusions, then a revised EA will be required at the time of authorization application and/or renewal.

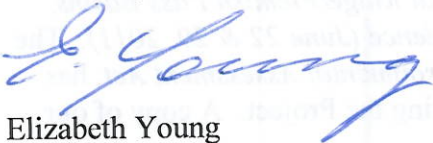
The following conditions are recommended to be appended to authorizations granted by the C-NLOPB for the seismic survey program, as described in the environmental assessment reports referenced above:

For geophysical programs:

- *The Operator shall implement or cause to be implemented, all the policies, practices, recommendations and procedures for the protection of the environment included in or referred to in the Application and in the “Environmental Assessment of Statoil’s Geophysical Program for the Jeanne d’Arc and Central Ridge/Flemish Pass Basins, 2011-2019” (LGL March 2011), the “Addendum to the Environmental Assessment of Statoil’s Geophysical Program for the Jeanne d’Arc and Central Ridge/Flemish Pass Basins, 2011-2019” (LGL June 2011), and Statoil Canada Ltd. correspondence (June 22 & 29, 2011) .*
- *The Operator, or its contractors, shall shut down the seismic airgun array if a marine mammal or sea turtle listed as **Endangered or Threatened** (as per Schedule 1 of SARA) is observed in the safety zone during ramp- up procedures and when the array is active. The safety zone shall have a radius of at least 500 m, as measured from the centre of the air source array(s).*

If you have any questions on the attached, or wish to discuss the environmental assessment review process, I may be reached at 709-778-4232 or via email at eyoung@cnlopb.nl.ca.

Yours truly,



Elizabeth Young
Environmental Assessment Officer

Enclosure

cc D. Burley