

Reed Weir



Dave Burley, Manager, Environmental Affairs
Canada-Newfoundland and Labrador Offshore Petroleum Board
5th Floor, TD Place
140 Water Street
St. John's, NL
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December 10, 2012

Dear Mr. Burley,

I am writing to express my deep concern over Shoal Point Energy's proposal to use hydraulic fracturing to extract oil from shale in their exploration license areas 1097R, 1120, and 1070. In particular, I am concerned about the process under which public meetings were convened on the west coast of Newfoundland by Shoal Point Energy during the week of 12 November 2012, and the lack of provincial regulations and policies governing hydraulic fracturing.

The environmental assessment process requires that a company first submit a full project description to the Board. With the help of public input, the Board then produces a scoping document that will guide the way the environmental assessment is done, including how public consultations are performed. Public consultations are then conducted as part of a location-specific Environmental Assessment. They must be based on the project description tabled to the CNLOPB and follow the guidelines set forward in the scoping document.

However, during the week of 12 November, 2012, Shoal Point Energy conducted public meetings on the west coast in Piccadilly, Lark Harbour, and Cow Head. Shoal Point Energy only provided a one page overview of the company and its intentions, and this document did not provide sufficient information and documentation upon which to base public consultations. This one page document does not suffice as a full project description. Additionally, this document was not made available prior to the meetings. It is unreasonable to expect members of the public to make informed comments if

they have no prior knowledge of the activities being proposed. Therefore, Shoal Point Energy should be required to conduct an official round of public and stakeholder consultations once they have provided the appropriate and required documentation to the CNLOPB and to the public.


Shoal Point Energy has publicly stated that the only viable way to extract oil from the Green Point Shale is through well stimulation via hydraulic fracturing. Because Shoal Point Energy proposes to drill onshore to offshore, both the CNLOPB and the province of Newfoundland and Labrador have jurisdiction. Therefore, we are very concerned about the apparent lack of any established regulatory framework or policies on the part of either jurisdictional body with regards to hydraulic fracturing. We consider it unreasonable to entertain proposals to conduct hydraulic fracturing in the absence of proper regulations, guidelines, and environmental safeguards.

On a similar vein, the update of the Western Newfoundland and Labrador Strategic Environmental Assessment (SEA) is currently ongoing. This SEA is designed to give a broad vision for oil and gas development and to guide policy. The existing SEA does not address hydraulic fracturing or stimulation and the potential associated environmental, health, and economic impacts. Thus it seems premature to entertain a controversial new industry activity prior to completion of the updated SEA.

Given that hydraulic fracturing is a publicly and environmentally controversial technique, and given the lack of a regulatory framework for hydraulic fracturing, I am particularly concerned that this activity is being proposed in one or more communities surrounded by Gros Morne National Park. This UNESCO World Heritage Site has been branded as one of Newfoundland and Labrador's signature tourism destinations. The potential for national and even international negative publicity associated with this controversial activity could lead to irreparable damage to the existing multi-million dollar tourism industry in the area.

I look forward to receiving your response to my concerns.

Sincerely,



Reed Weir