

Channel-Port aux Basques is the "Gateway" to Newfoundland and is the largest community on the Southwest Coast and is considered the hub of the entire region which has a population of nearly 10,000. The 14 smaller outlying communities use Channel-Port aux Basques for its commercial, retail, professional, recreational, and other related services. Channel-Port aux Basques offers the amenities of any modern region. The Town has infrastructure that can support the oil and gas sector, an ice free harbour, a post secondary institution that is willing to work with new businesses to enhance the current workforce, oceanfront property, and fabrication experience.

The Town Council of Port aux Basques fully supports the development of the oil and gas sector in Western Newfoundland. It is imperative that any development and exploration be conducted in a safe and responsible manner following all environment guidelines established by the Provincial and Federal Government. The Town foresees great potential in the oil and gas sector and believes that if proper steps and measures are taken it is likely that new development opportunities will transpire for this region. Given the Town of Port aux Basques is in close proximity to the Old Harry site, our municipality is prepared to work and develop partnerships with the respective groups to move these development opportunities forward. There is no doubt that our municipality and region as a whole will benefit from the exploration projects on the west coast in the future development stages.

When the Old Harry project is given the green light to move forward, the Town will continue to work with Corridor Resources to ensure the project is promoted and that the business community is aware of procurement opportunities. The Town will provide services and resources that are available within our municipality but most importantly we will support and encouraged that safety measures are put in place to protect the environment and communities within our Zone.

The Town realizes that the oil and gas industry is creating employment and adding significantly to Provincial Government revenues through income and sales taxes as well as royalties. The oil and gas industry on the East Coast is building a local labour force and business capacity which has lead to economic diversification in other sectors, in turn creating infrastructure investments, increasing housing and retail sales, increasing demand for training, education, and research. The Town is optimistic that new development on the West Coast will provide similar benefits for this region and certainly the Province as a whole.

Port aux Basques Harbour

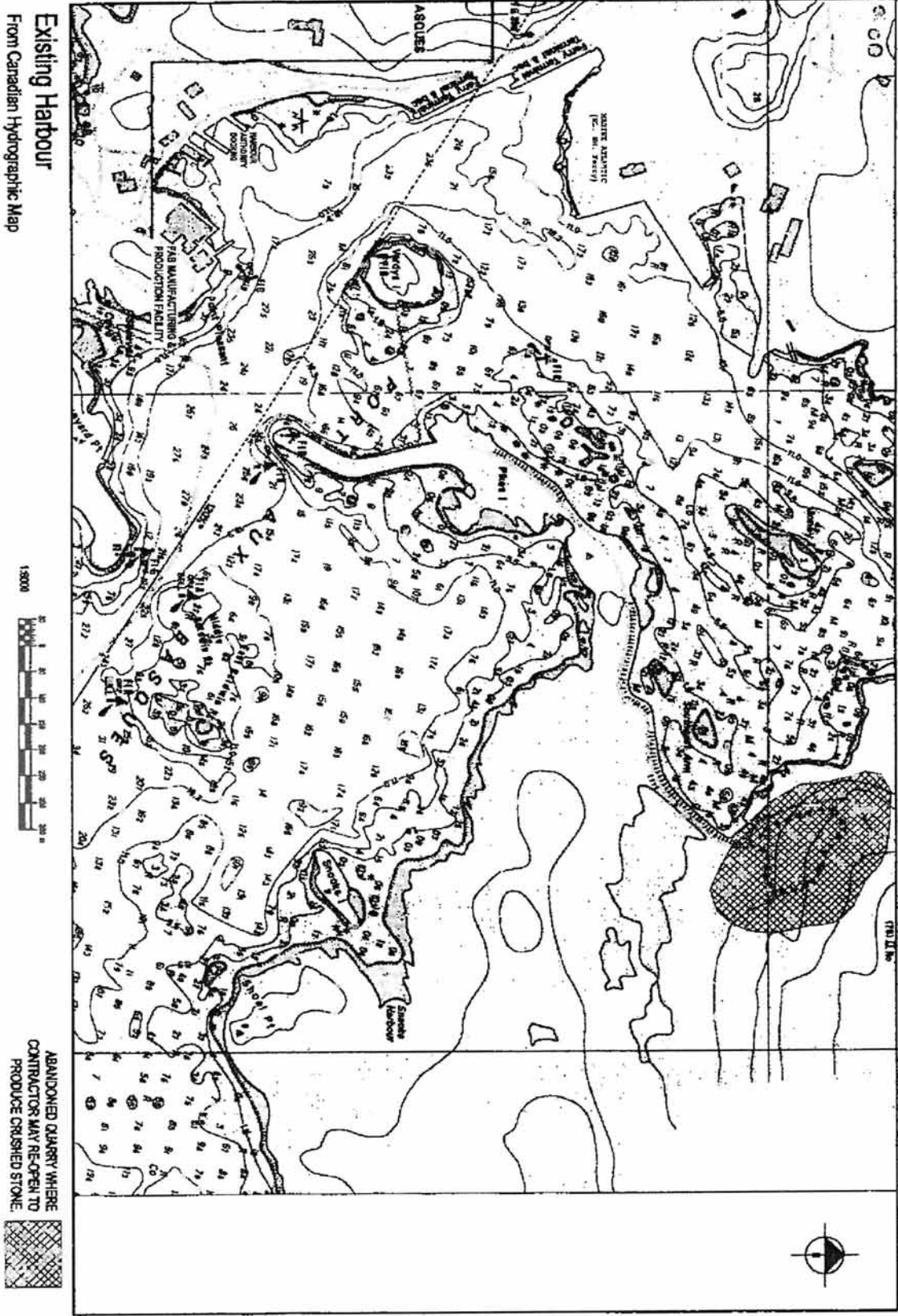


Figure A

Port aux Basques Manufacturing & Production Facility



