

ENVIRONMENTAL IMPACT REVIEW BOARD

December 23, 2013

By Email

Imperial Oil Resources Ventures Ltd. 237 Fourth Avenue South West P.O. Box 2480 Station "M" Calgary, AB Canada T2P 3M9

ATTENTION: Ms. Sherry Becker, Beaufort / Eastcoast Opportunity Manager Beaufort Sea Exploration Joint Venture

Dear Ms Becker:

RE: BEAUFORT SEA EXPLORATION JOINT VENTURE DRILLING PROGRAM

On December 11, 2013, the Environmental Impact Review Board (EIRB) received a decision letter from the Environmental Impact Screening Committee (EISC) referring the Beaufort Sea Exploration Joint Venture Drilling Program for environmental impact assessment and review as set out in the Inuvialuit Final Agreement (IFA). Imperial Oil Resources Ventures Limited (IORVL) submitted this Project Description on behalf of the Beaufort Sea Exploration Joint Venture.

The EISC determined that the proposed development could have significant negative environmental impacts and referred the development to the EIRB for a public review under subsection 11(20) of the IFA.

The EIRB will expeditiously review this development and on the basis of the evidence and information before it shall recommend whether or not the development should proceed and, if it should, on what terms and conditions, including mitigation and remedial measures. The Review Board may also recommend that the development should be subject to further assessment and review and, if so, the data or information required.

In making this referral, the EISC recommended that the EIRB require that the developer should

(within the parameters of the environmental impact review):

- · resolve the scope and methodology of this proposed development, and
- substantially complete the various management plans proposed such that the Review Board will have the critical information before it to adequately inform its impact review and decision.

More specifically the EISC found that the Project Description (PD) provided to the Committee was deficient in certain areas:

- 1. The scope of the work as set out in the PD is incomplete. For example, there are significant decisions yet to be made on principal activities associated with the program. As a result the environmental effects, and the significance of these environmental effects, cannot be determined as required under the provisions of the IFA.
- 2. There are no management plans submitted, in draft form or otherwise. The proponent indicates that the forthcoming management plans will contain mitigation measures but the effectiveness of these proposed mitigation measures [can]...not be properly evaluated...in the absence of the plans.
- 3. The record reflects significant concerns regarding measures to prevent oil spills and response to such spills. A lack of detail on oil spill impacts to valued components, mitigation measures to address and prevent spills (including worst case oil spill scenarios), and a lack of spill response plans precludes a meaningful...evaluation of the project...
- 4. The potential environmental values that may be affected are not adequately described, and therefore a suitable response to protect these valued environmental components is lacking.
- 5. The...[EISC] has concerns that the consultations with Inuvialuit communities are incomplete at this time. The EISC is aware that further community consultations to collect Traditional Ecological Knowledge in Tuktoyaktuk are planned to support this project proposal...[and] expects that the contributions from future public consultations within the Inuvialuit communities will contribute to the development of the management plans and mitigation measures.

These concerns are material to the EIRB review. The EIRB requests that IORVL provide additional information setting out how and when it plans to address the above-noted deficiencies in the Project Description.

Draft Terms of Reference for the preparation of the Environmental Impact Statement will be released by the EIRB in the near future. At that time, a sixty day review period will commence during which time comments from Inuvialuit people and communities, interested parties and the general public will be

solicited and considered by the EIRB in the finalization of the Terms of Reference.

The EIRB has initiated discussion regarding this project with the National Energy Board with respect to its' responsibilities under the *Canadian Environmental Assessment Act*, 2012 and associated regulations with a view to minimizing or eliminating any duplication in these review processes.

The EIRB contact for the review is Eli Nasogaluak, (867) 777-2828 eirb@jointsec.nt.ca.

Sincerely,

Allènce

Jon Pierce Chair

CC: John Ondrack, Chair, Environmental Impact Screening Committee