

MEMORANDUM OF UNDERSTANDING

November 4, 2008

BETWEEN: **NATIONAL ENERGY BOARD** hereinafter referred to as the
“NEB”

AND: **CANADA-NOVA SCOTIA OFFSHORE PETROLEUM
BOARD** hereinafter referred to as the “CNSOPB”

WHEREAS, pursuant to the *National Energy Board Act*, the *Canada Oil and Gas Operations Act*, and the *Canada Petroleum Resources Act*, the NEB regulates aspects of the energy industry in Canada including the construction and operation of interprovincial and international pipelines; pipeline traffic, tolls and tariffs; the construction and operation of international and designated interprovincial power lines; the export and import of natural gas; the export of oil and electricity; and the exploration and drilling for, and the production, conservation, processing and transportation of petroleum in the non-Accord Frontier offshore areas;

WHEREAS, pursuant to the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act* and the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* (Accord Acts), the CNSOPB regulates the exploration and drilling for, and the production, conservation, processing and transportation of petroleum in the Nova Scotia offshore area;

WHEREAS, pursuant to the Accord Acts, the CNSOPB will conclude with the appropriate departments and agencies of the Government of Canada memoranda of understanding to ensure effective coordination and avoid duplication of work and activities;

WHEREAS, the CNSOPB and the NEB wish to cooperate and collaborate to promote effective coordination, avoid duplication of work and activities, and to provide support, where capacity exists and assistance is requested, on elements of their mandates leading to greater efficiency and effectiveness in the delivery of regulatory programs and increased capacity within each agency through this MOU.

The NEB and the CNSOPB, as parties to this Memorandum of Understanding (MOU), hereby agree to cooperate as follows:

1.0 Pursue opportunities for cooperation and partnership between the NEB and the CNSOPB

- 1.1 The parties contemplate that cooperation may take the form of staff exchanges; sharing of compliance data and reports; emergency management planning and exercises; joint training initiatives; shared resources for compliance assurance; resource assessment and information management activities; and consultative regulatory development.
- 1.2 Without prejudice, the CNSOPB will take the lead role in monitoring regulatory compliance during the construction, operation, decommissioning and abandonment or removal of offshore pipelines that are under the jurisdiction of both the NEB and the CNSOPB in accordance with the following:
 - 1.2.1 the NEB will provide the CNSOPB with, and maintain current, a list of regulatory requirements for use by the CNSOPB in monitoring compliance on behalf of the NEB;
 - 1.2.2 the CNSOPB will act as the recipient for information received during this regulatory compliance monitoring (excluding tolls and tariffs) and will provide copies of this information to the NEB; and
 - 1.2.3 when either party undertakes enforcement action on a company in regards to an offshore pipeline, the party undertaking the enforcement action will notify the other party.

2.0 Develop Inspection Officer capacity

- 2.1 The NEB, at its discretion, and upon agreement with the CNSOPB, may appoint a qualified CNSOPB employee as an inspection officer of the NEB, pursuant to the *National Energy Board Act*. The NEB will promptly notify the CNSOPB of the nature and scope of any such appointment(s).
- 2.2 All incremental expenses associated with the training and appointment of a CNSOPB employee as an Inspection Officer of the NEB shall be borne by the NEB.
- 2.3 Under normal circumstances, remuneration of the CNSOPB employee appointed as an Inspection Officer of the NEB will be the responsibility of the CNSOPB. When the nature and the scope of the appointment is such that compensation from the NEB for services provided by the CNSOPB employee is required, the terms of such shall be described in a separate agreement.

3.0 Jointly administer this MOU

3.1 Notices and information under this Memorandum will be directed as follows:

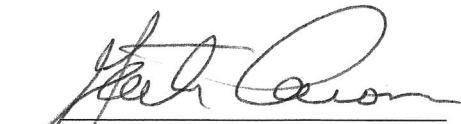
National Energy Board
444 Seventh Avenue SW
Calgary, Alberta
T2P 0X8
Attn. Business Unit Leader, Operations

Canada Nova Scotia Offshore Petroleum Board
6th Floor, TD Centre
1791 Barrington Street
Halifax, Nova Scotia
B3J 3K9
Attn. General Counsel & Secretary of the Board

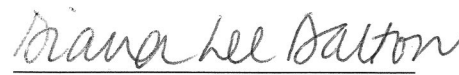
- 3.2 The primary CNSOPB contact for the content, execution and maintenance of this MOU is the Manager, Health, Safety & Environment or his/her designate.
- 3.3 The primary NEB contact for the content, execution and maintenance of this MOU is the Business Unit Leader, Operations or his/her designate.
- 3.4 This MOU replaces the letter agreement between the parties dated 25 June 1998.
- 3.5 Nothing in this MOU shall be interpreted as requiring either party to take any action that would be contrary to applicable legal authority.
- 3.6 The terms and provisions of this MOU may be amended in writing upon mutual consent of the parties.
- 3.7 Either party may terminate this MOU upon 30 days written notice to the other party.
- 3.8 This MOU is not intended to be a legally binding instrument or to give rise to any legal rights not otherwise held by the parties.

IN WITNESS THEREOF the parties hereto have executed this MOU.

National Energy Board


Gaétan Caron
2008/11/04

Canada-Nova Scotia
Offshore Petroleum Board


Diana Lee Dalton
2008/11/04