



Natural Resources  
Canada

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Canada

Ottawa, Canada  
K1A 0E4

August 1, 2007

Mr. Charles Demond, President  
Pubnico Point Wind Farm Inc.  
P.O. Box 812  
Yarmouth, NS  
B5A 4K4

**SUBJECT:** Mitigation measures at Pubnico Point Wind Farm (PPWF)

Mr. Demond:

I am writing in follow up to discussions and written exchanges over the past year with Denis Zborowski and other members of my staff on the noise issue at Pubnico Point Wind Farm. Considerable time has elapsed since the release of the Howe Gastmeier Chapnik noise study.

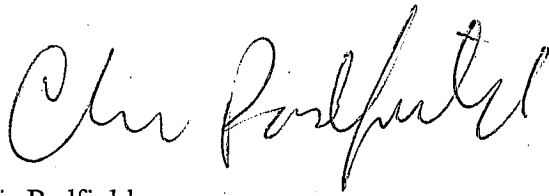
As per Article 8 of the contribution agreement, Pubnico Point Wind Farm Inc. (PPWF) must implement the following mitigation measure: to configure the Pubnico Point Wind Farm such that wind turbine numbers 13 and 14 do not, during all times that the wind is moving in a direction between 170 and 190 degrees southerly, engage and produce power until the wind speed reaches 7 m/s. This mitigation measure must be implemented immediately upon confirmation of receipt of this letter.

Natural Resources Canada (NRCan) does not accept your contention that no monitoring of the mitigation measure is necessary. Without monitoring it will be impossible to verify the effectiveness of the mitigation. Therefore, to measure the effectiveness of re-configuring turbine numbers 13 and 14 as a noise level mitigation measure, PPWF must submit a monitoring plan to be approved by NRCan and initiated by no later than September 30, 2007. In order to review and approve or comment on the monitoring plan, NRCan requires that it be submitted no later than August 24, 2007.

Failure to immediately implement the aforementioned mitigation measure and/or to submit an acceptable monitoring plan to NRCan to be initiated by September 30, 2007, will result in the forfeiture of the Wind Power Production Incentive as per Articles 8 and 13 of the contribution agreement between both Parties dated January 31, 2005.

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Regards,

A handwritten signature in cursive script, reading "Chris Padfield". The signature is written in black ink and is positioned above the printed name and title.

Chris Padfield  
Director  
Renewable and Electrical Energy Division