

From: kriscostello@nalcenergy.com
Sent: Friday, July 13, 2012 2:13 PM
To: wesfoote@gov.nl.ca
Cc: jkeating@nalcenergy.com
Subject: Re: Fw: Report

Wes,

Some additional comments beyond some that Jim provided.

-\$19.10/mcf seems low. Our analysis was over \$23.

- Pipeline cost is more likely to be \$800 MM rather than \$400 MM. They have a cost per inch-mile that is reasonable, but trenching needs to be added on top of this. As for the long route, do they have their distances mixed up? The route to avoid icebergs and required trenching would be over 600 km.

- The "Required Return" shown in the Summary is somewhat nebulous. It likely requires further explanation as to what makes up this large bar. Would this be the Operator's return on the capital? (subsea kit and wells, or platform and wells) A 15% rate of return is mentioned in the Cost Analysis section, but 15% seems low to us given the portfolio of competing projects for a typical oil company.

Thanks,
Kris

	<p>Kris Costello Asset Manager Nalcor Energy - Oil and Gas t. 709 737-1392 c. 709 691-7627 f. 709 737-1416 e. KrisCostello@nalcenergy.com</p>
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Jim Keating---07/13/2012 09:35:45 AM---pls have a look. Charles wants feedback this am. Jim

From: Jim Keating/NLHydro
To: Kris Costello/NLHydro
Date: 07/13/2012 09:35 AM
Subject: Fw: Report

pls have a look. Charles wants feedback this am.

Jim

	<p>Jim Keating Vice President - Oil & Gas Executive Leadership Team Nalcor Energy t. 709 737-1239 e. jimkeating@nalcorenergy.com w. nalcorenergy.com</p>
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----- Forwarded by Jim Keating/NLHydro on 13/07/2012 09:34 AM -----

From: "Bown, Charles W." <cbown@gov.nl.ca>

To: <JKeating@nalcorenergy.com>

Date: 10/07/2012 11:56 AM

Subject: FW: Report

From: Foote, Wes
Sent: Monday, July 09, 2012 10:20 AM
To: Bown, Charles W.
Subject: Fw: Report

Charles
Here it is.

Wes

Sent Via BlackBerry

From: Edward Kallio <edward.kallio@ziffenergy.com>
To: Foote, Wes

Sent: Fri Jul 06 17:21:40 2012

Subject: Report

Hi Wes, I've sent another report, in Word Format, in case you find a few niggles. I think we're in good shape, have a look at it and give us a ring next week,

Ed.

Edward Kallio Director, Gas Consulting
Ziff Energy Group
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