

June 26, 2015

National Energy Board of Canada
517 – 10 Avenue SW
Calgary, AB T2R 0A8

Attention: Sheri Young, Secretary of the Board

Re: Status of the Beaufort Sea Joint Venture Exploration Drilling Program (Exploration Licences 476 and 477) – Program Delay

Imperial Oil Resources Ventures Limited (Imperial) and its joint venture partners (ExxonMobil Canada Ltd. and BP Exploration Operating Company Limited) have decided, after careful review, to defer the proposed Beaufort Sea Joint Venture Exploration Drilling Program (the program). This decision involves suspending all regulatory work and planned submissions (i.e., a same season relief well proposal, the worst-case discharge scenario, and the environmental impact statement and operation authorization). Imperial will inform other key stakeholders of this decision, including the Environmental Impact Review Board, the federal and Northwest Territories governments, and northern leaders.

Imperial is committed to pursuing exploration activities in a technically sound, environmentally responsible and economically efficient manner. Imperial will conduct additional technical studies and research specific to the unique operating conditions for drilling in the deepwater Beaufort Sea, with its limited drilling season, to ensure a viable program. However, under the current licence term, there is insufficient time to conduct the necessary technical work and complete the regulatory process. Consequently, on behalf of the joint venture partners, Imperial is undertaking discussions with the federal government to have the current licence term retroactively extended to 16 years. If approved, the extension would provide sufficient time to undertake the necessary technical studies and develop the technology and processes to support responsible development in the Beaufort Sea. In addition, procurement and regulatory work would be able to proceed in a measured and sequential fashion.

The joint venture will continue to maintain a presence in the North, including maintaining an office in Inuvik, executing a multi-year program to collect critical ice data, and continuing to work with communities to define business, employment and training opportunities for northerners.

Imperial remains committed to the Arctic as an important future source of energy. In addition to ongoing engagement with the ExxonMobil Arctic Technology research initiatives, Imperial will continue to work closely with government and academic institutions to benefit from their expertise in the offshore Arctic.

Please do not hesitate to contact me if you have any questions.

Sincerely,

(original signed by)

Lee Willis
Exploration Operations Manager
Imperial Oil Resources Ventures Limited

LFW/dmg