

October 15, 1997

Mr. Russell MacLellan
Premier
Premier's Office
PO Box 726
Halifax NS B3J 2T3

Copy delivered by facsimile to 902-424-7648; original to follow by mail

Dear Mr. Premier:

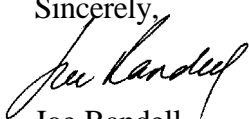
It was a pleasure to speak with you during the recent New Neptune Campaign opening gala. As I mentioned to you, the Metropolitan Halifax Chamber of Commerce would like to express our support for the position you have taken on maximizing benefits from Sable gas development for Nova Scotia. The Chamber believes that this is a Nova Scotia resource which should be harnessed to benefit as many Nova Scotians as possible. Your decision to withdraw the Province from the Joint Agreement on Tolls and your public statement of your intention to maximize Nova Scotia benefits are clear demonstrations that you share this desire.

In that regard, we have recently been contacted by the Strait-Highlands Regional Development Agency. They are concerned about the possibility that all of the Sable natural gas liquids including the most valuable commodity, ethane, will be exported from Nova Scotia. We share their concerns. As we stated before the Joint Review Panel in July of this year the "exploitation of natural gas liquids offers tremendous opportunity to the Province of Nova Scotia." At that time, we encouraged the Panel to ensure that their decision did not preclude the sale within Nova Scotia of natural gas liquids to processors.

We would like to encourage you, as Premier, to ensure that the Province of Nova Scotia does all that it can to see that no action is taken which will preclude the sale of natural gas liquids to processors in Nova Scotia. We recognize that the province, along with other organizations such as Enterprise Cape Breton, is studying the potential for a petrochemical industry in Nova Scotia. However, if the liquids have already been committed to other purchasers over the long term, then the chances of developing a Nova Scotia petrochemical industry become much more remote.

We support the work you have done to date in this area and look forward to working with you in the future in pursuit of greater economic benefit for Nova Scotia.

Sincerely,



Joe Randell
President