

February 10, 2010

Pigeon Lake Watershed Association
13211-146 Street
Edmonton, Alberta
T5L 4S8

Imperial Oil Limited
PO Box 2480, Station Main
Calgary, AB
T2P 3M9

Attention: Mr. Bruce March
Chairman, President and CEO

Re: Bonnie Glen Plant – Water License

Dear Mr. March,

I am writing you today on behalf of the Pigeon Lake Watershed Association. This Association is a non-profit organization with a membership of over 1000 Albertans whose mission is to “enhance, protect and preserve Pigeon Lake and its watershed”. While education and stewardship is the primary focus of the Association, we are currently involved in some significant projects to protect the Lake from further decline in its quality. Our website, www.pigeonlakewatershedassociation.com, provides information to the public about the studies and reports we have commissioned and explains actions which can be taken to help protect the lake. We also have regular communication with our membership by mail-outs and liaison with the administrations of the Summer Villages to increase awareness about events and concerns around the lake.

For many years, Imperial Oil has enjoyed the benefits of working and living at Pigeon Lake with its operation at the Bonnie Glen Gas Plant. Also, this plant has provided many advantages for the local community from the early days when Imperial maintained residences at Mulhurst, through the construction and expansion phases of the plant and while the plant was in operation. This contribution will be missed when the Bonnie Glen Plant is shut down.

The plant has benefited from Pigeon Lake through the considerable amount of water extracted from the lake. In the past, the impact of this water extraction was not significant as there was usually an outflow from the lake. But in recent times, Pigeon Lake has experienced a significant lowering of the lake level. This situation is expected to continue into the future as based upon Alberta Environment’s predictions of low rain falls and increased demands on the aquifer. In addition, the increase in the concentration of nutrients has resulted in the occurrence of Blue green algae blooms. The lake is certainly coming under additional stress as development activity increases. The Pigeon Lake

Watershed Association is trying to rectify this situation through public awareness of better stewardship and protection of this valuable natural resource.

We understand that once the plant has been decommissioned, the property may be sold. We are concerned about what will be done with the water licence. The PLWA, on behalf of the communities around the lake, requests that your company consider making the water licence a gift to the lake community by returning it to the government, as a gesture of appreciation for the resources you were able to extract. This would demonstrate your ability to take a leadership role in protecting the lake, as it is truly a treasured resource for all Albertans. The most valuable thing at Pigeon Lake is the water and, although it appears to be a massive body of water its deepest parts are only 27 feet deep and with a 100 year retention time, any nutrient load rapidly increases in concentration when the lake levels deteriorate. The PLWA requests that you relinquish the Bonnie Glen water license to the government. This would prevent further depletion of the lake by another party and would help protect the lake for future generations.

We recognize that this water license has value, but considering the significance of the good will which will be received by this generous act to the community by a company such as yours, this gesture would provide overwhelming recognition in your company's efforts to protect the natural environment. PLWA is able to reach 1700 individuals to announce the decision if Imperial Oil chooses to take such a positive leadership role to protect the environment, and would be willing to partner with you in advertisements in the local media about this significant contribution on your part.

The Pigeon Lake Watershed Association appreciates your consideration of this request and looks forward to hearing a favorable response. We all realize the significance of this request but the diminishing quality of the lake compels us to pursue this matter with you.

If required, representatives of the Association would be willing to meet with you to discuss the matter in further detail. Please do not hesitate to contact the undersigned at 780-498-6198 if more information is required. Also please review our website www.pigeonlakewatershedassociation.com to learn more about our programs and initiatives.

Thank you again for your consideration and we look forward to hearing back from you.

Yours truly,

Trudy Flesher

President
Pigeon Lake Watershed Association