



May 21, 2013

INFORMATION LETTER 2013-17

**Subject: Public Offering of Crown Petroleum and Natural Gas and Oil Sands Rights
on Metis Settlements**

This Information Letter replaces IL 1992-19.

This information letter outlines the public offering process for the issuance of Crown mineral agreements relating to Metis settlements.

The 1990 Co-Management Agreement (CMA), Schedule 3 of the *Metis Settlements Act*, provides the basis for the cooperative management of the Crown's mineral resources relating to settlement lands. Alberta Energy, the Metis Settlement General Council (General Council) and the eight Metis settlements have reached consensus on amendments to the CMA, resulting in a revised public offering process.

This revised process will be implemented effective June 3, 2013, at which time Alberta Energy will accept posting requests for petroleum and natural gas and oil sands rights on Metis settlement lands. Standard Terms and Conditions relating to environmental, socio-cultural and land use impacts for all mineral agreements within Metis settlements will be clearly outlined in the Public Offering Notice.

New Bid Requirements

Bidders for rights within Metis settlements must submit the following, through the Electronic Transfer System (ETS), for their bid to be considered complete:

- a) The bonus, issuance fee, and first year's rent; and
- b) A "Metis Settlements Benefits Proposal" (Benefits Proposal).

Benefits Proposal

The Benefits Proposal forms an essential component of a complete bid. The Affected Settlement Council receives all eligible Benefits Proposals at the same time and evaluates these proposals to select the successful bidder. Alberta Energy will not review or assess the Benefits Proposal. Alberta Energy's role is limited to ensuring the bids are complete. Bids that do not include a Benefits Proposal will not be accepted by ETS. Information required in the Benefits Proposal can be confirmed by contacting the Oil and Gas Coordinator at the General Council office at 780-822-4096 or by email to oilgas@msgc.ca.

Eligible Bids

All complete bids within 75 per cent of the highest bonus amount are deemed eligible. Two days following the sale, Alberta Energy will forward the bidders' names and Benefits Proposals of all eligible bidders to the General Council to evaluate. Within 15 days of

receiving the bids, the General Council must advise Alberta Energy that a Development Agreement has been signed with the successful bidder. Within five days of receipt of this notification, Alberta Energy will issue a resource agreement to the successful bidder.

If an eligible bidder is a corporation wholly owned by the settlement where the minerals are located, and is the highest bidder, that bid will be deemed the winning bid by Alberta Energy.

Announcement of Successful Bidders in the Public Offering

Since the successful bidder will be known only after the Development Agreement has been signed, the words "Metis - To Be Announced" will appear in the Public Offering sales results. The successful bidder will be disclosed once Alberta Energy receives notification that the successful bidder has entered into a Development Agreement and has paid the bonus, issuance fee and rent. If there are no bids accepted the results will read "Offers Rejected".

The mineral agreement's term commencement date will be the first working day following the sale date, regardless of the final issuance of the mineral agreement.

Direct Purchase Option

In addition to the public offering process, the direct purchase option is available to corporations wholly owned by the Metis settlement for minerals located on their respective settlement lands only. However, Alberta Energy will continue to accept and process all requests in the order that they are received. Mineral agreements issued via a direct purchase request cannot be transferred.

Please refer to our Frequently Asked Questions on our Tenure website at www.energy.alberta.ca under Our Business/Tenure/About Tenure/Tenure FAQs.

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