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Process RSN Number: 5344970

Environment Act
DIRECTIVE

COPY

APPROVAL HOLDER: ELMWORTH ENERGY
APPROVAL NUMBER: 2008-064245-R01
ISSUED TO: Elmworth Energy Corporation and Triangle Petroleum Corporation
INSPECTION DATE: July 14, 2011
MAILING ADDRESS: 1660 Wynkoop Street, Suite 900 Denver, Colorado, USA 80202
SITE NAME: Kennetcook #1-Shale Gas
SITE ADDRESS: Easting - Northing -

Pursuant to Environment Act, 71(b) the following action(s) must be completed by August 10, 2011:

The Approval Holder shall ensure the level of liquid within the brine pond at Kennetcook KC-1, PID #45361060 is lowered so that it is held below that of the height of the seepage identified in the berm of the brine pond in May 2011 by August 10, 2011.

Pursuant to Environment Act, 118(b) the following action(s) must be completed by August 19, 2011:

The Approval Holder shall submit a Plan as required by condition 11(a) of Approval #2008-064245-R01 for the facility at Kennetcook (KC-1), PID #45361060. The Plan shall include but not be limited to

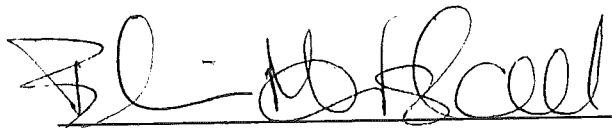
1. Proposed reclamation works to ensure the facility is returned to its natural state by February 28, 2012
2. Proposed works that shall result in the treatment and / or offsite disposal of the brine within the ponds by November 1, 2011, ensuring that at all times, the level of the brine within the pond remains below that of the height of the identified seepage in the berm.
3. Description of any erosion / siltation/ dust prevention measures required as a result of the above proposed works at the facility.
4. If it is the intention to no longer use the well for purposes of gas exploration / production, a well abandonment/closure plan.

The Plan shall be submitted in writing to Nova Scotia Environment, marked for the attention of Elaine Marshall by August 19, 2011.

These measures are the minimum required. Additional measures may be needed and as such you are encouraged to secure the services of a firm/person with sufficient knowledge and experience to install/undertake permanent measures to treat or prevent the release.

Be advised that failing to undertake all measures as above is an offence and may result in further enforcement action. An investigation involving the alleged release of a substance continues and is separate from this requirement to take measures. The satisfactory provision of measures will not influence the investigation outcome.

Signature of Issuing Inspector:



This Directive was issued by Elaine Marshall, Inspector Specialist with Nova Scotia Environment, who may be contacted at:

Nova Scotia Environment
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* Supporting text where applicable:

Prohibition s.67 - (1) No person shall knowingly release or permit the release into the environment of a substance in an amount, concentration or level or at a rate of release that causes or may cause an adverse effect, unless authorized by an approval or the regulations. (2) No person shall release or permit the release into the environment of a substance in an amount, concentration or level or at a rate of release that causes or may cause an adverse effect, unless authorized by an approval or the regulations. Environment Act 1994-95, c. 1

Duty to take remedial measures s.71 - Any person responsible for the release of a substance under this Part shall, at that person's own cost, and as soon as that person knows or ought to have known of the release of a substance into the environment that has caused, is causing or may cause an adverse effect, (a) take all reasonable measures to (i) prevent, reduce and remedy the adverse effects of the substance, and (ii) remove or otherwise dispose of the substance in such a manner as to minimize adverse effects; (b) take any other measures required by an inspector or an administrator; and (c) rehabilitate the environment to a standard prescribed or adopted by the Department. Environment Act 1994-95, c. 1

Assistance to inspectors s.118 - The owner or occupier of any place, or any person the inspector reasonably believes is related to or associated with any activity at the place, in respect of which an inspector is exercising powers or carrying out duties pursuant to this Part shall (a) give the inspector all reasonable assistance to enable the inspector to exercise those powers and carry out those duties (b) furnish all information relative to the exercising of those powers and the carrying out of those duties that the inspector may reasonably require. Environment Act, 1994-95, c. 1

Right of entry and inspection s.119 - For the purpose of the administration of this Act, an inspector, subject to Sections 22 and 120, may, at any reasonable time, (h) require the production of any documents that are required to be kept pursuant to this Act or any other documents that are related to the purpose for which the inspector is exercising any power under clauses (a) to (g). Environment Act, 1994-95, c. 1