

February 14, 2006

Mr. Barry Worbets
Senior Advisor,
Environment, Safety & Aboriginal Affairs
North American Oil Sands Corporation
Suite 800, 635 – 8th Ave. SW
Calgary, AB T2P 3M3

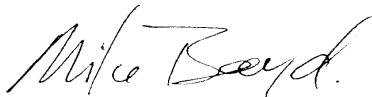
Dear Mr. Worbets:

I am writing in response to your request for confirmation of North American Oil Sands' proposed plans for regulatory submissions (environmental impact assessment (EIA) and *Environmental Protection and Enhancement Act* (EPEA) approval applications) related to the Kai Kos Dehseh Project. The 10,000 bpd commercial demonstration project, Leismer, will require an approval under the *Environmental Protection and Enhancement Act* (EPEA). The subsequent 165,000 bpd commercial project, Kai Kos Dehseh, is a mandatory activity according to the *EPEA Environmental Assessment (Mandatory and Exempted Activities) Regulation*, and will require an EIA.

Your plan to submit the *EPEA* application for the 10,000 bpd Leismer project, followed by an EIA for the 165,000 bpd Kai Kos Dehseh project which will include the *EPEA* application for the 30,000 bpd Corner commercial project is acceptable to Alberta Environment. Each subsequent commercial project phase up to 165,000 bpd will require an *EPEA* approval application.

If you have any questions or require further direction, please contact James Chen at (780) 415-9628 regarding the *EPEA* approval application for the Leismer Project, and Lisa Sadownik at (780) 422-2207 regarding the EIA for the Kai Kos Dehseh Project.

Sincerely,



Mike Boyd
Regional Environmental Manager
Northern Region
(Designated Director Under the Act)

cc: K. Geekie (EUB)
L. Coulson (CEAA)
K. Singh (AENV)