

FIVE NATIONS ENERGY INC.

Head Office:

P. O. Box 370
Moose Factory, ON
P0L 1W0
Phone: (705) 658-4222
Fax: (705) 658-4250
www.fivenations.ca

**Mailing Address:**

70-c Mountjoy Street North
Suite 421
Timmins, ON P4N 4V7
Phone: (705) 268-0056
Fax: (705) 268-0071

SENT BY E-MAIL

January 31, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Five Nations Energy Inc. - 2010 Transmission Rates Application
Board File No. EB-2009-0387 (Reserves Policy)**

In its Decision and Order dated November 1, 2010, the Board Panel directed Five Nations Energy Inc. ("FNEI") to file a reserves policy within three months of the date of the Decision (i.e., by February 1, 2011). By way of this letter, we are requesting a one month extension to file the reserves policy. Although the Board was fairly specific in its Decision about the operation of FNEI's reserve accounts, the inability of FNEI to earn revenues in excess of costs going forward (i.e., after fully funding the reserve accounts) does raise issues for FNEI's existing loan arrangements. FNEI is in the process of better understanding these implications for the purposes of preparing its draft reserves policy. Should you have any questions, please contact me.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Derek Stephen', is written over a blue circular scribble.

Mr. Derek Stephen
Interim Chief Executive Officer

c.c. Richard King (Ogilvy Renault)
Peter Faye (Energy Probe)
Olena Loskutova (Energy Probe)
David MacIntosh (Energy Probe)
Carl Burrell (IESO)
Maia Chase (IESO)
R. Mukherji (OEB)