

Chatham Resources Ltd.
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Hamilton, On L8P 1L2
Telephone 905 525-3700; Fax 905 525-3703

February 19, 2008

By Fax (416) 440 7656. Pg 1 of 2

Ontario Energy Board
17 Carlton Street
Toronto, Ontario M5B 1J2

Attention: John Pickernell, Assistant Board Secretary

Subject: Transfer of ownership of Bayview Exploration Ltd.'s assets to Chatham Resources Ltd.

Dear Mr. Pickernell,

You may recall that we purchased Fisherville Gas Ltd. and Glenard Ltd., both natural gas utilities in Norfolk County in 1991.

We have agreed to purchase the assets of Bayview Exploration Ltd. from the owner, Peter Krul, subject to your approval. This is a small natural gas utility on the west end of Norfolk County with 15 gas wells of their own and supplying a handful of customers with a TSSA license to distribute gas. Bayview is not connected with Union Gas in selling its excess gas as the Union Gas lines are not in the area.

Mr. Krul, the present owner, has sold his home and greenhouse operations and for a number of days has been temporarily living at the Clear View Motel, 4282 Highway 3, Unit 4. Their phone number is 519-426-5456. We therefore ask for your very speedy examination and approval of the transfer as he, his wife and their two children are very uncomfortable in the temporary quarters. As soon as we receive approval, Mr. Krul will move to Hawaii in his new greenhouse operation.

Because this distribution system is isolated and the customers depend on Bayview's gas wells to provide natural gas, we ask the same request as we did for

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Glenerd Ltd. and Fisherville Gas Ltd.; that is that we can terminate customers some day in the future if this system of wells depletes and can no longer provide continuous annual service to the customers.

I personally am qualified as a petroleum reservoir engineer and can state that there is at least 30 to 50 years, minimum, of gas supply for the customers based on the present production. We hope over time to drill additional wells in the area to extend the life of the system even further. Therefore, we would not expect any problems with deliverability for decades.

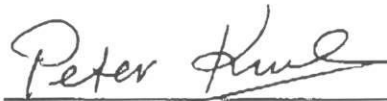
If you want to reach me at any time, I am rarely in the office. Please call my cell phone at 905-541-2398.

Sincerely yours,



William T. (Bill) Chatham, P. Eng.

WTC:js



I concur with the above.

Peter Krul

for Bayview Exploration Ltd.

P.S. As The new owners have not yet moved in, Peter & his wife normally stay at their "sold" home during the day (tel 519-582-2562) and return to The Clear View Motel about 8:00 PM every evening. The home phone won't be disconnected for at least a week.