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By Overnight Courier (2 copies)

August 3, 2012

Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli

Re: Tribute Resources Inc. and Bayfield Resources Inc. on behalf of Huron Bayfield Limited Partnership and Bayfield Pipeline Corp. (collectively "Tribute")
Applications for Huron Bayfield Pool and Stanley Pool - Gas Storage Project
Board File Nos. EB-2011-0076; EB-2011-0077; EB-2011-0078; EB-2011-0285

And Re: Tribute Resources Inc.'s Reply Submission to the Objection by Intervenors, McKinley Farms Ltd. and 2195002 Ontario Inc. to Confidentiality Request by Tribute Resources Inc. in its Letter dated July 9, 2012 Addressed to the Board

Please find enclosed herewith Tribute's Reply to the Objection by Intervenors, McKinley Farms Ltd. and 2195002 Ontario Inc. which is served on you pursuant to the Board's Procedural Order No. 4.

Yours truly,

GIFFEN & PARTNERS



Per: **Christopher A. Lewis**

/rgb

Enc.

cc: McKinley Farms Ltd., 2195002 Ontario Inc. and Intervenors (see attached list)

BY EMAIL TO:

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Zurich Landowners Association
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Northern Cross Energy Limited
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BY MAIL TO:

Mary Erb

R.R. #1

Bayfield, ON NOM 1GO

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B; and in particular sections 36.1(1), 38(1), 40(1), 90(1) thereof;

AND IN THE MATTER OF an application by Tribute Resources Inc. for an Order designating the areas known as the Stanley 4-7-XI Pool and the Bayfield Pool, in the County of Huron, as gas storage areas;

AND IN THE MATTER OF an application by Tribute Resources Inc. for authority to inject gas into, store gas in and remove gas from the areas designated as the Stanley 4-7-XI Pool and the Bayfield Pool and to enter into and upon the lands in the said areas and use the land for such purposes;

AND IN THE MATTER OF an application by Tribute Resources Inc. to the Ministry of Natural Resources for a license to drill wells in the said areas;

AND IN THE MATTER OF an application by Tribute Resources Inc. for an Order granting leave to construct natural gas pipelines in the County of Huron and in the County of Middlesex;

AND IN THE MATTER OF an application by Tribute Resources Inc. for a determination in respect of the compensation payable under Section 38 of the *Ontario Energy Board Act*, 1998;

AND IN THE MATTER OF a request by Tribute Resources Inc. dated July 9, 2012 that two documents be held in confidence in accordance with Rule 10 of the Board's Rules of Practice and Procedure and in accordance with the Board's Practice Direction on Confidential Filings ("Practice Direction") dated October 23, 2011.

**TRIBUTE RESOURCES INC.'S REPLY SUBMISSION TO THE
OBJECTION BY INTERVENORS, MCKINLEY FARMS LTD. AND 2195002
ONTARIO INC. TO CONFIDENTIALITY REQUEST BY TRIBUTE
RESOURCES INC. IN ITS LETTER DATED JULY 9, 2012 ADDRESSED TO
THE BOARD**

1. On July 26, 2012, the Interveners, McKinley Farms Ltd. and 2195002 Ontario Inc. (collectively the "Objecting Parties") through their counsel, Chinneck Law Professional Corporation, filed an Objection to the confidentiality request by Tribute Resources Inc. and Bayfield Resources Inc. on behalf of Huron Bayfield Limited Partnership and Bayfield Pipeline Corp. (collectively "Tribute") by its letter addressed to Board dated July 9, 2012 (the "Confidentiality Request").
2. Tribute filed two documents (the "Documents") with non-confidential titles "Tribute's Business Plan for the Proposed Project including the Feasibility Assessment of the Project" and "Tribute's Pipeline Feasibility Assessment" which Documents are the subject of the Confidentiality Request.
3. The Objecting Parties have objected to Tribute's Confidentiality Request by a submission dated July 26, 2012 entitled "Objection by Interveners, McKinley Farms Ltd. and 2195002 Ontario Inc., to Confidentiality Request by Tribute Resources Inc." (the "Objection").
4. The following is Tribute's reply to the Objection.
5. In clauses 6 & 7 of the Objection, the Objecting Parties allege that "Tribute's internal rates of return for the Huron County gas storage pools have already been made public ...". The document tendered by the Objecting Parties in support of this allegation is Tribute's "Management's Discussion and Analysis for the Year Ended December 31, 2008" (the "MD&A") which is publicly accessible under SEDAR. Pages 6 & 7 of the MD&A do not disclose Tribute's internal rates of return as alleged by the Objecting Parties but simply discusses how any gas storage business could earn revenue by injecting and withdrawing gas seasonally. This is simply a generic model. None of Tribute's capital costs of the Huron County proposed storage project are disclosed in the MD&A.
6. Tribute's internal rates of return have not already been made public as alleged by the Objecting Parties either in the MD&A or otherwise.
7. In addition to containing information that would disclose Tribute's internal rates of return, the Documents include "forward looking" financial information that has not been publicly disclosed by Tribute and that Ontario Securities law therefore requires to be treated as confidential. Tribute is a corporation whose shares are publicly traded. Tribute therefore respectfully requests that the Documents be treated as confidential as including the types of information previously assessed or maintained by the Board as confidential (see item 6 of Appendix B to Board's Practice Direction).
8. Tribute does have competitors who own or control pinnacle reef storage pools in Huron County. These competitors include Northern Cross Energy Limited, an Intervenor in these proceedings. Northern Cross Energy Limited owns storage pools in Huron County that are located approximately 40 kilometres north of the proposed Bayfield Pool DSA. Reef Resources Ltd., according to its website, also owns two storage pools in Huron County known as the Airport Reef and the Ausable Reef. Cameron Petroleums Inc. owns or

controls the Grand Bend Reef in Huron County which is located at Greenway close to Grand Bend.

9. Tribute therefore continues to maintain that disclosure of the Documents could potentially prejudice Tribute's competitive position in the gas storage business in Huron County, particularly in light of the known competitors described above each of whom own or control gas storage pools in Huron County.
10. In clause 10 of the Objection, the Objecting Parties question Tribute's confidentiality obligations to Market Hub Partners Canada LP. Attached hereto is a redacted version of the confidentiality provisions set forth in an existing contract between Tribute and Market Hub Partners Canada LP. It is Tribute's position that a public disclosure of the Documents would place Tribute in breach of these confidentiality provisions.
11. In clauses 12 & 13 of the Objection, the Objecting Parties put forward as a reason why the Objecting Parties require disclosure of the Documents that the Documents are "relevant to the determination of compensation for Objecting Parties" and are required to enable the Objecting Parties "to present their case, because the financial information contained in the Documents are necessary in order to properly evaluate the level of compensation owed to the Objecting Parties". Tribute submits that at this stage of the proceeding compensation is not yet an issue.
12. In Procedural Order No. 1 dated April 30, 2012, the Board has stated "For the reasons set out below the Board has determined that these Applications with the exception of the request for Determination of Compensation (Board File No. EB-2011-0285) should be consolidated and heard together as one proceeding pursuant to Section 21(5) of the Act ... therefore, the proceeding of the Applications under Section 38 of the Act (EB-2011-0285) will be stayed until the court decision on the McKinley Court Application is rendered or until a date to be determined by the Board."
13. It is submitted that the Objecting Parties' reasons for requiring disclosure of the Documents is premature, in any event, and may only become relevant if a compensation hearing is required under Section 38 of the Act (EB-2011-0285).
14. Madam Justice Rady of the Ontario Superior Court of Justice heard the McKinley Court Application on July 27, 2012 and indicated at the conclusion of that hearing that she would reserve her decision and render the same by the end of September 2012.
15. Depending on the outcome of the McKinley Court Application a compensation hearing may not be necessary.
16. Tribute repeats and relies upon its request for confidential treatment of the Documents as set out in its letter dated July 9, 2012 addressed to the Board.
17. Tribute respectfully requests that the Board order that the whole of the Documents be kept

confidential pursuant to Section 5.1.10(b) of its Practice Direction.

FILED: August 3, 2012

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Counsel for Tribute Resources Inc.

(xi) Confidentiality.

- a. For the purposes of this Section 7(xi), the following capitalized terms shall have the following meanings:

“Disclosing Party” means the Party disclosing Information to the other Party.

“Information” means all information (whether written, oral or otherwise) provided by Disclosing Party to Recipient relating to or in respect of the Proposed Project and whether provided before or after the date of this Term Sheet, including but not limited to all raw and digital seismic data, core, core reports and all technical data as it relates to the Proposed Project. It applies to any supply, communication or provision of information of any kind by Disclosing Party to Recipient (including without limitation, know-how, drawings, data, software, other technical matter etc.).

“Recipient” means the Party to whom Information is disclosed.

“Restricted Period” means the period up to the end of six (6) months after the termination of the Term Sheet.

- b. All Information which may be received directly or indirectly by Recipient will be regarded as and kept confidential by Recipient. No part of the Information will be divulged by Recipient to any third party at any time and in any form whatsoever, including seismic trading rights, without the specific prior written consent of the Disclosing Party. Recipient may disclose the Information without such prior

written consent to any Affiliate of Recipient provided that Recipient guarantees the adherence of such Affiliate to the provisions of this Section 7(xi).

- c. Information received by Recipient will be used only for the purpose of evaluating the Proposed Project. Recipient undertakes to take no action to otherwise use or exploit the Information without the specific prior written consent of Disclosing Party.
- d. The Parties agree that in the event either Party elects not to proceed with the Proposed Project, the Recipient will promptly return all Information to Disclosing Party and will further provide copies of any and all processing and/or reprocessing of the Information along with a copy of any and all interpretations of said Information to Disclosing Party. In the event both Parties elect to proceed with the Proposed Project, then Recipient shall only be required to return all Information to Disclosing Party and shall not be required to deliver copies of any further processed or reprocessed Information.
- e. Despite Section 7(xi)b., the Information may be disclosed to:
 - i. directors, employees, consultants and advisers of Recipient or an Affiliate but only to the extent that this is necessary or to further communications between the Parties. Recipient or such Affiliate will take appropriate steps to enforce the obligations of such directors, employees and advisers in relation thereto;
 - ii. any professional advisers retained by Recipient provided that Recipient guarantees the adherence of such professional advisers to the provisions of this Section 7(xi).
 - iii. the public in the form of a press release as deemed necessary by Tribute in consultation with the TSX V. Such press release shall be approved by both MHP Canada and Tribute prior to release.
- f. The obligations of confidentiality contained in this Section 7(xi) shall not apply to Information which:
 - i. at the date of this Term Sheet is in the public domain or subsequently comes into the public domain through no fault of Recipient and not in breach of this Section 7(xi);
 - ii. was already known to Recipient on the date of disclosure;
 - iii. properly and lawfully becomes available to Recipient from sources independent of Disclosing Party;

- iv. Recipient is required by law to disclose, including Information required to be disclosed during OEB proceedings, or any associated appeals in accordance with Section 7(vi), related to the Proposed Project; *provided however*, that Recipient shall use best efforts to ensure that any such required disclosure of Information is done on a confidential basis.
- g. The obligations under this Section 7(xi) shall come into effect as of the date of this Term Sheet and shall continue during the Restricted Period or until superseded by any further agreement between the Parties.