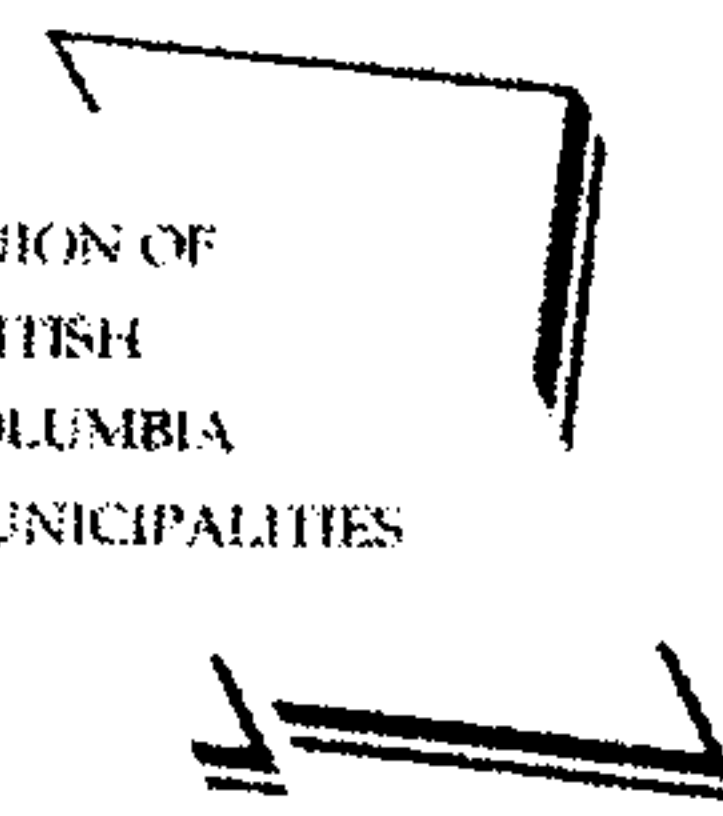


BRITISH
COLUMBIA

UNION OF
BRITISH
COLUMBIA
MUNICIPALITIES



**MEMORANDUM OF UNDERSTANDING ON CONSULTATION
IN RESPECT OF
OFFSHORE OIL AND GAS DEVELOPMENT**

Between the

**MINISTRY OF ENERGY AND MINES
(represented by the BC Offshore Oil and Gas Team)**

and the

UNION OF BRITISH COLUMBIA MUNICIPALITIES (UBCM)

WHEREAS:

The Province of British Columbia has indicated that exploration and development of offshore oil and gas must be done in an environmentally responsible and scientifically sound manner, and has committed to promote prosperity and economic opportunities for First Nations and coastal communities;

The Minister of Energy and Mines is the minister responsible for matters related to the development of offshore oil and gas, and the BC Offshore Oil and Gas Team has been established to enable offshore oil and gas development;

The UBCM is the representative voice of local governments in British Columbia and has an interest in the social, economic and environmental well-being of the province and its communities; and

Section 277 of the *Community Charter* allows the minister responsible and the UBCM to enter into a Memorandum of Understanding or other arrangement respecting consultation on any matter that affects local government or the Province.

THEREFORE THE PARTIES HAVE THE FOLLOWING UNDERSTANDING:

PURPOSE

The purpose of this Memorandum of Understanding is to facilitate the establishment of a process by which the BC Offshore Oil and Gas Team will consult with the UBCM.

The focus of this process will be to:

- identify the interests of local government in relation to exploration and development of offshore oil and gas; and
- explore how the interests of local government could be addressed through the fiscal, regulatory, and environmental assessment regimes for the exploration and development of offshore oil and gas.

LINKAGES TO OTHER PROCESSES

The BC Offshore Oil and Gas Team will have consultations with individual local governments and other local government associations, but recognizes that UBCM is the organization that represents all local governments in the province.

The B.C. Offshore Oil and Gas Team is involved in processes of consultation with First Nations with respect to matters related to the exploration and development of offshore oil and gas.

The B.C. Offshore Oil and Gas Team expects to enter into negotiations with the Government of Canada with respect to matters related to the exploration and development of offshore oil and gas.

IMPLEMENTATION

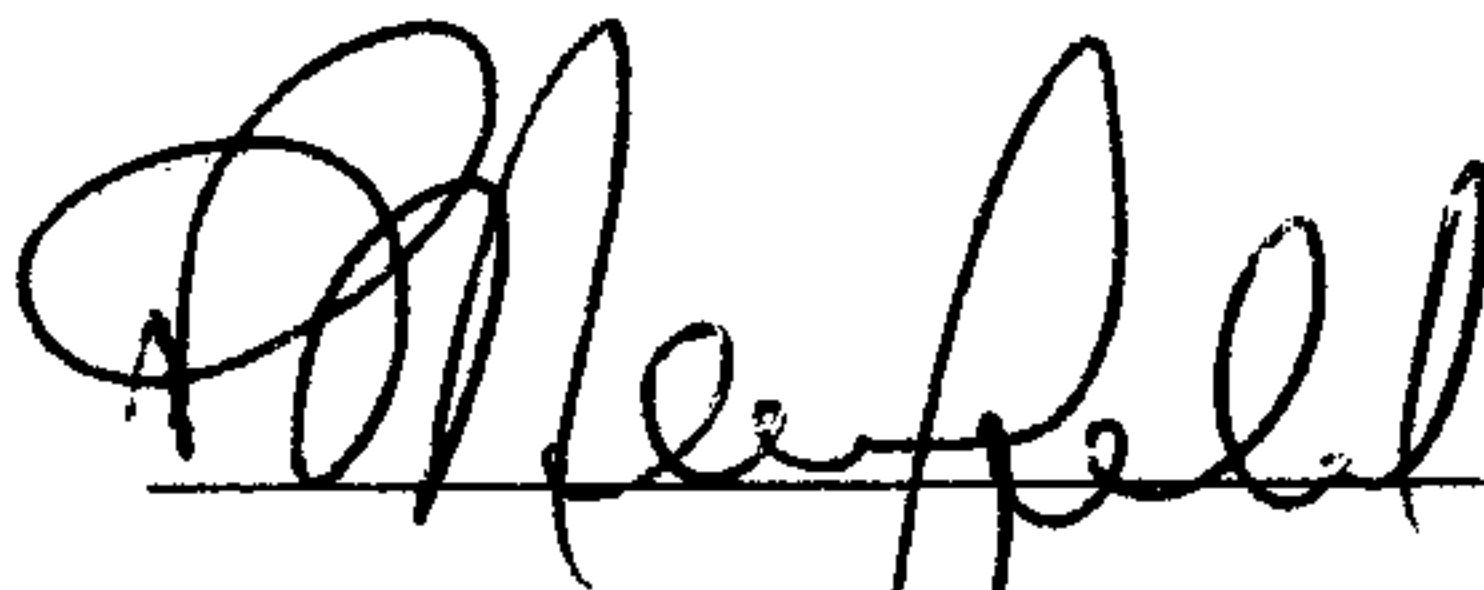
The B.C. Offshore Oil and Gas Team and the UBCM agree to establish a joint working group to further the purpose stated in this Memorandum of Understanding.

TERM/AMENDMENT

The term of this Memorandum of Understanding will be two years from the date of signing unless otherwise amended.

The Parties may agree, in writing, to amend or terminate this Memorandum of Understanding at any time.

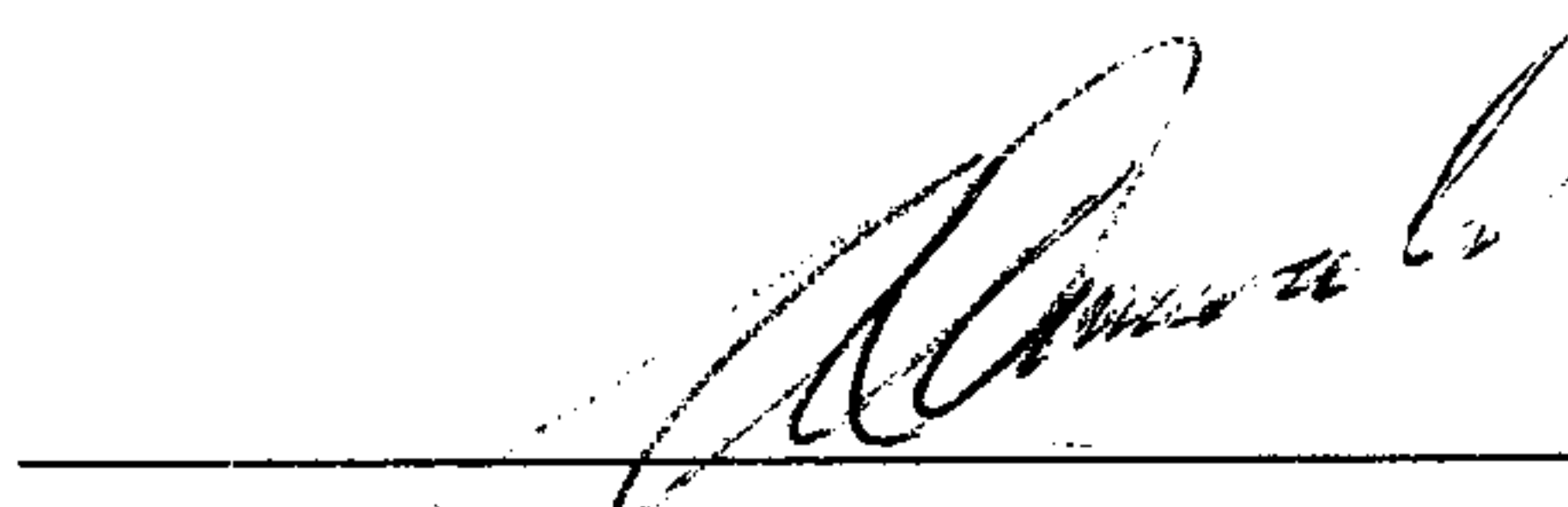
SIGNED on behalf of the Ministry of Energy and Mines



The Honourable Richard Neufeld
Minister of Energy and Mines

Date March 17/05

SIGNED on behalf of the Union of British Columbia Municipalities



Director Aaron Dinwoodie
President

Date MARCH 30/05



Councillor Dan Rogers
Chair, Community Economic Development Committee

Date MARCH 30/05