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June 30, 2009

TO: Peel Watershed Planning Commission

RE: Draft Peel Watershed Regional Land Use Plan (April 28, 2009)

Dear Commission Members;

I have reviewed with great interest the Draft Peel Watershed Regional Land Use Plan, and congratulate you on the comprehensive review and recommendations. As noted in the Plan, the Peel Watershed is a significant and complex area of the Yukon with a rich variety of wildlife, terrain and resources. The varied, and often conflicted, interests require a robust management plan to ensure a long term and sustainable future for all Yukon.

Northern Cross (Yukon) Limited ("NCY") is a small private company incorporated in the Yukon in 1994. NCY owns 3 Significant Discovery Licenses (SDL's) and has won, through a competitive bidding process, approximately 5200 square kilometers of hydrocarbon mineral rights in the Eagle Plain Basin. Our company intends to explore for, and produce, hydrocarbons from Eagle Plain and to provide Yukon energy for Yukoners. As outlined in the Yukon Government's recently published "Energy Strategy For Yukon", energy sourced in the Yukon will provide substantial economic and employment growth and, due to closer proximity, reduce green house gas emissions within the Yukon. We believe our efforts will provide many benefits to all Yukoners.

The Peel Watershed Planning Area includes a significant area of the South Eagle Plain Basin, including a large portion of one of our exploration permits. As noted in the above referenced Energy Strategy, the Eagle Plain Basin is the most prospective hydrocarbon province in the Yukon, representing more than 1/3 of Yukon's onshore potential. It is also the most likely to supply energy to Yukon in the medium and long term provided that reasonable access and fiscal terms are provided. NCY urges the Commission to consider the huge economic and socio-economic value of the Eagle Plain to all Yukoners when defining land use options in and around the Basin.

As noted in section 5.7.1, the Dempster Highway is a critical piece of infrastructure in northern Yukon and is used for a variety of purposes. The Dempster Highway plays a key role in NCY's plans to efficiently explore, develop and transport hydrocarbons. Our initial exploration efforts will be focussed near the Dempster, and we are committed to minimize access points from the Dempster to our exploration permits. However, for NCY to be successful, temporary and permanent access points must be allowed. We are in favour of restricting non-industrial traffic on these access roads to limit undesirable use.

NCY was very involved in the North Yukon Land Use Plan, from first draft to approved status. We have defined our exploration plans within the guidelines of the Plan, and believe that we can conduct prudent and efficient business within the Zone IV definitions. We believe that the North Yukon plan struck a fair balance and approach in protecting the interests of all Yukoners.

The Peel Watershed Draft Regional Land Use Plan contains many recommendations, provisions and themes. I wanted to outline a few of the most important items that pertain directly to NCY, and to emphasize our keen interest in the evolution of this draft into a final Plan. We look forward to future communications on this important document.

Best Regards,

Brian Avery