To: Mr. Kerry Bully  
President  
120 Adelaide St. West #512  
Toronto, Ontario  
Canada  
CGX Energy Inc

Paramaribo, May 31st, 2000

Dear Sir,

Information has reached the Government of Suriname that CGX Energy Inc will be conducting exploration/exploitation activities in the North-west Offshore area within the territory of the Republic of Suriname.

With regard to the above-mentioned the Ministry of Foreign Affairs wishes to draw the attention of the company that Suriname has officially demarcated its borders. The Oranjestroom constitutes an integral part of the territory of the Republic of Suriname and therefore falls within its sovereignty.

The Government of the Republic of Suriname wishes to reiterate that from the point mark Latitude: 5° 59' 53".8 North, Longitude: 57° 06' 51".5 West, the direction of the boundary line in the territorial waters is on a true bearing of 10° East.

Within this context the territory located eastward of this demarcation line is considered an integral part of the Surinamese territory and activities undertaken in this area without the permission of the Government of the Republic of Suriname constitute an illegal act.

In this respect the Ministry explicitly likes to inform you that the Government of the Republic of Suriname is determined to protect its territorial integrity and national sovereignty.

Governmental Documents  
(Suriname)
Taking into consideration the above-mentioned, the Surinamese Government calls upon the CGX Energy Inc. to immediately end all (intended) activities in the afore-mentioned area.

The Ministry is convinced that the opinion of the Government of the Republic of Suriname will be respected and that the integrity of the Surinamese territory will not be violated by activities taken by CGX Energy Inc.

Yours truly,

[Signature]

Ernst C. Snijders,
Minister of Foreign Affairs
of the Republic of Suriname

C.C.: Warren Workman, Vice President
     Denis Clement, Director
     John Cullen, Director
     Adrian Jackson, Director
     Oliver Lennox-King, Director
     Macleod Dixon, Legal Counsel