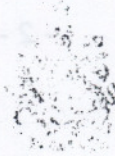


Minister of
Fisheries and Oceans



Ministre des
Pêches et des Océans

Ottawa, Canada K1A 0E6

MAR 1 2007

The Honourable Thomas J. Rideout, MHA
Minister of Fisheries and Aquaculture
Government of Newfoundland and Labrador
Petten Building, 30 Strawberry Marsh Road
P.O. Box 8700
St. John's, NL
A1B 4J6

John
Dear Minister,

Thank you for your letter of February 23, 2007 regarding the possible sale of the assets of Fishery Products International Limited (FPI).

I understand from your letter that you expect FPI to conclude its work related to its sale in the near future. I also understand that you will be reviewing and approving the transaction as per the *Fishery Products International Limited Act*. I will not involve myself in that discussion.

I agree with you that FPI has been an important institution for the Province of Newfoundland and Labrador and it is important that this be reflected in the resolution of this issue.

With that in mind, I believe we would both expect the arrangements to be consistent with the five principles for moving ahead on this matter that we discussed at our meeting in St. John's on February 18, which are that the arrangement should:

- Resolve the situation so we start catching fish again;
- Provide the opportunity for employees to get back to work;
- Ensure that the landings are in Newfoundland and Labrador;
- Have endurance over time; and
- Ensure that the Federal Minister's discretion is not fettered or perceived to be fettered.

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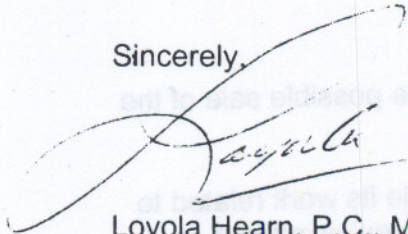
Canada

Once the final arrangement on the proposed sale is completed by FPI, a designated buyer and the Province, I will consider a request from the licence holder (FPI) to transfer the quota. I will expect to see in such a request for transfer that the designated buyer will support the above noted principles.

You will appreciate that, given the principle of Ministerial discretion, I cannot prejudge any request until I have it before me. In keeping with that, I should note that I will be concerned about any precedents that this may have for other fisheries.

Given the many months that this matter has been outstanding, I believe we all look forward to having this resolved as soon as possible.

Sincerely,



Loyola Hearn, P.C., M.P.

- Resolve the situation so we start catching fish again.
- Provide the opportunity for employees to get back to work.
- Ensure that the landings are in Newfoundland and Labrador.
- Have entrance over time, and
- Ensure that the Federal Minister's discretion is not fettered or perceived to be fettered.