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Alberta Energy and Utilities Board\
Applications Branch
640 – 5th Avenue S.W.
Calgary, Alberta
T2P 3G4

Attention: Mr. Neil McCrank & Mr. Terry Abel

Dear Sirs:

Re: Energy Utilities Board GB2003-16 & Paramount Energy Trust

I am a beneficial owner of Paramount Energy Trust units, public securities which trade on the TSX as PMT.un. Having reviewed the aforementioned General Bulletin, I henceforth put my name forward as an interested party and provide this letter as my submission to the AEUB.

I am totally opposed to the Proposed Conservation Policy attached to GB 2003-16 for the following reasons:

Production grandfathered under the 1998 Inquiry Report (pages 52, 53) and specifically reiterated in ID99-1 is just that, grandfathered. For the average Albertan and investor in the Province's energy resource industry, grandfathered means again just that. As you are well aware, that policy is further confirmed by the AEUB in Decision 2003-023, partly stating "...the Board continues to believe that the current application process is appropriate to ensure that potentially at risk bitumen is not jeopardized." After hearing it three times from the Board, the average Albertan and investor has a right to rely on that body's commitments to its decisions in addition to its plain ability to render such decisions.

I am not being a technical expert on the matter at hand. It is however observed that no agreement on the science of the issue has been concluded and may very well never be. What is most peculiar about this is the extent to which the Board has not put forth any new "science" on the matter in order to advance its own "new agenda". By encompassing such a large land mass and proposing that affected gas producers re-apply to have production brought back on stream, the Board is effectively confirming its own lack of technical knowledge on the matter, opting for a new policy of something like "if this part could be negatively affected, then lets shut-in this piece". Taken to its natural

conclusion, this new course sends the Province of Alberta in a rapidly declining production area but, I concede, one that has a lot of reserves. But to what end?

In a similar vein, it is readily observed that if the issue is as commercially substantive as the AEUB's spokesperson, Mr. Neufeld, has suggested in the National Post, then there would be little to discuss because surely the bitumen reserve owners would be very eager to arrive at a commercial resolution with the gas producers. With the purported 600 times energy content in place, bitumen owners should be lined up to buy out the existing gas rights from gas producers in the area at incredible premiums in order to preserve or produce, the bitumen. Alas, no one as approached me or Paramount, to the best of my knowledge on any such commercial solution.

Lastly, in turning the issue on its head (if there really was one in the first place), the Board has put the parties who may have had something to lose in a "Win" position and the innocent gas market participants in a situation tantamount to having to negotiate compensation "with a gun to our heads".

I intend, of course, to speak to my submission and those of others at the time proposed under GB 2003-16.

Yours truly,

Louis R. Dufresne P.Eng.