



PREAMBLE

These Terms of Reference provide overall direction on the purpose, scope and deliverables for the **Regional Assessment of Oil and Gas Exploratory Drilling in the Canada-Nova Scotia Offshore Area** (the Regional Assessment) led by the Impact Assessment Agency of Canada (IAAC) according to subparagraph 93(1)(a)(ii) of the *Impact Assessment Act* (IAA).

Regional assessments, under the IAA, are processes where the Government of Canada and interested jurisdictions collaborate to evaluate the positive and negative effects of multiple past, existing and future activities and developments within a given geographical region to inform future project-specific impact assessments, planning and decision-making related to projects, and to inform future regulatory processes. The IAA mandates that any pertinent regional assessment be considered at specific stages during the impact assessment process for future designated projects within a studied region.

The Regional Assessment will improve the effectiveness and efficiency of impact assessments for future oil and gas exploratory projects carried out in joint jurisdictional waters subject to the IAA and may also inform recommendations to the Minister, including, recommendations respecting whether the making of an exclusion regulation under the IAA related to offshore oil and gas exploratory drilling in the Canada-Nova Scotia offshore area would be appropriate.

IAAC is committed to respecting section 35 of the *Constitution Act, 1982* on Aboriginal and Treaty rights and to advancing reconciliation with Indigenous peoples. For this Regional Assessment, IAAC recognizes that the offshore area is used by the Mi'kmaq of Nova Scotia, who hold Aboriginal and/or Treaty rights, and that offshore drilling may result in impacts, including cumulative impacts, on Mi'kmaq activities, interests, and rights.

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1.0 CONTEXT

On December 1, 2025 the Honourable Tim Houston, Premier of Nova Scotia, wrote to the Minister of the Environment, Climate Change and Nature, the Honorable Julie Dabrusin, to request a Regional Assessment for offshore oil and gas exploratory drilling citing a need to create a competitive regime consistent across Atlantic Canada offshore areas with a clear regulatory pathway to reduce risk of potential future regulatory delays, attract investment in offshore resources, and to accelerate exploration while ensuring responsible resource management. This Regional Assessment request aligns with the Government of Canada's strategic goal to strengthen long-term energy security through diversification of energy supply and supports the recently announced [Canada's Strategy to Protect Nature](#)¹ and the commitment to the second pillar of that strategy, "*Building Canada Well*", by integrating nature, science, and data into infrastructure and development decisions so Canada can build responsibly while protecting ecosystems.

IAAC will work in collaboration with the Nova Scotia Department of Energy (NSDoE), Natural Resources Canada (NRCan), the joint management partners for the Canada-Nova Scotia offshore area, and with the Canada-Nova Scotia Offshore Energy Regulator (CNSOER) to conduct the Regional Assessment which will examine the effects of offshore oil and gas exploratory drilling and inform future federal impact assessment and regulatory processes for offshore oil and gas exploratory drilling projects thereby supporting environmental protection and responsible economic development in Nova Scotia.

2.0 DEFINITIONS

"community knowledge" means knowledge held by individuals or shared by a community, which is built up over time through direct use of, or interaction with, a resource or environment (natural or social). (connaissances des collectivités)

"cumulative effects" means effects to the environment or to health, social, or economic conditions caused by interactions of human activities and natural processes that accumulate over time and space. (effets cumulatifs)

"CNSOER" means the Canada-Nova Scotia Offshore Energy Regulator. (RCNEEE)

"designated project" has the same meaning as defined in section 2 of the IAA. (projet désigné)

"effects" has the same meaning as in section 2 of the IAA. (effets)

¹ *Canada's Strategy to Protect Nature* outlines a plan for how the Government of Canada will deliver Canada's 2030 Nature Strategy: <https://www.canada.ca/en/services/environment/nature/nature-strategy.html>

“Etuaptmumk” is an approach introduced by Elder Albert Marshall², which means Two-Eyed Seeing and which recognizes the strength of Indigenous ways of knowing and the strength of Western ways of knowing and uses both competencies together. (Etuaptmumk)

“environment” has the same meaning as defined in section 2 of the IAA. (environnement)

“federal authority” has the same meaning as defined in section 2 of the IAA. (autorité fédérale)

“IAA” means the *Impact Assessment Act* (S.C. 2019, c. 28, s. 1) and regulations made thereunder, as amended from time to time. (LEI)

“IAAC” means the Impact Assessment Agency of Canada established under the IAA. (AEIC)

“Indigenous knowledge” means the Indigenous knowledge of the Indigenous peoples of Canada. (connaissances autochtones). (connaissances autochtones)

“Indigenous peoples” has the same meaning of Indigenous peoples of Canada as defined in section 2 of the IAA. (peuples autochtones)

“Minister” means the Minister of Environment as defined in section 2 of the IAA. (Ministre)

“Mitigation measures” means measures to eliminate, reduce, control or offset adverse effects within federal jurisdiction, direct or incidental adverse effects or adverse environmental effects, as defined in section 81 of the IAA, and includes restitution for any damage caused by those effects through replacement, restoration, compensation or any other means (section 2 of the IAA). (mesures d’atténuation)

“Offshore area” the lands and submarine areas seaward of the province’s low-water mark, extending to the edge of the continental margin or 200 nautical miles, whichever is greater. (zone extracôtière)

“Offshore exploratory drilling” means the process of drilling wells into the ocean floor to confirm the presence of oil or natural gas, determine the size of a potential resource, and evaluate economic viability. (forage exploratoire extracôtier)

“Registry” means the Canadian Impact Assessment Registry established under section 104 of the IAA (section 2 of the IAA). (registre)

“Regional Assessment” means the Regional Assessment that the Minister of the Environment authorized the IAAC to lead, in collaboration with NRCan, NSDoE and the CNSOER, pursuant to subparagraph 93(1)(a)(ii) of the IAA, in the Study Area, and which is conducted under these Terms of Reference and pursuant to the IAA. (évaluation régionale)

² Bartlett, C., Marshall, M., and Marshall, A. (2012). Two-Eyed Seeing and other lessons learned within a co-learning journey of bringing together indigenous and mainstream knowledges and ways of knowing. *Journal of Environmental Studies and Sciences*, 2(4), 331–340. <https://doi.org/10.1007/s13412-012-0086-8>

“report” means the Regional Assessment report produced by IAAC pursuant to subsection 102 (1) of the IAA and provided to the Ministers and further defined in section 3.2 and section 5.2 of these Terms of Reference. (rapport)

“Study Area” means the Study Area for the Regional Assessment as described in section 4.1 of this Terms of Reference. (aire d’étude)

“Terms of Reference” means the present instrument which sets out the terms and conditions to conduct the Regional Assessment. (mandat)

“Two-Eyed Seeing” refer to *Etuaptmumk* (Approche à double perspective)

“valued component” refers to an aspect of the environmental, health, social, or economic conditions that may be impacted by a project and is considered important by the proponent, public, Indigenous peoples, or government agencies. (composantes valorisées)

3.0 GOAL AND OBJECTIVES OF THE REGIONAL ASSESSMENT

3.1 Goal

The goal of this Regional Assessment is to identify opportunities to improve the effectiveness and efficiency of project-specific impact assessment and other regulatory processes for future offshore exploratory drilling projects.

The Regional Assessment will consist of a transparent and regionally tailored examination of the potential environmental, health, social and economic effects, including cumulative effects, of oil and gas exploratory drilling in the Canada-Nova Scotia offshore area. The Regional Assessment will incorporate existing baseline information³ collected for the region, together with input from Indigenous peoples and other participants, to inform best practices and appropriate mitigation and follow-up measures for offshore exploratory drilling.

IAAC will complete the Regional Assessment in fall 2026, including the submission of the final Regional Assessment report to the Minister of the Environment, Climate Change and Nature.

3.2 Objectives

- a) Provide regional context for the Study Area including summaries of:
 - ecological and biophysical context;
 - Indigenous context, including traditional and current use and cultural aspects;
 - human activities and uses; and

³ The regional baseline context for this Regional Assessment will provide a summary of existing information. Where relevant, information will be utilized from CNSOER Strategic Environmental Assessments and the recent (2025) Regional Assessment of Offshore Wind Development in Nova Scotia

- socio-economic context.
- b) Describe the purpose of and need for offshore exploratory drilling in Nova Scotia.
 - c) Provide a description of the existing regulatory regime for oil and gas exploratory drilling.
 - d) Provide a description of the activities for offshore exploratory drilling, including accidents and malfunctions, for which the Regional Assessment would apply (refer also to section 4.2).
 - e) Describe valued components as defined in section 4.3.
 - f) Provide a description of positive and adverse environmental, health, social and economic effects from works and activities on valued components relevant to offshore exploratory drilling.
 - g) Identify regionally appropriate mitigation measures and monitoring approaches, including:
 - measures informed by Indigenous knowledge;
 - established practices and newly developed or emerging mitigation measures that could enhance environmental protection, and operational safety; and
 - conditions or measures that could inform a potential future exclusion regulation or project-specific oversight requirements.
 - h) Identify information and knowledge gaps and potential opportunities to address them.
 - i) Complete a cumulative effects assessment that evaluates how oil and gas exploratory drilling may interact with past, existing and reasonably foreseeable activities and changes to environmental, health, social, and economic conditions within the Study Area.
 - j) Complete a Gender Based Analyses Plus that will examine how the regional environmental, health, social, and economic effects of offshore exploratory drilling may be experienced differently by diverse groups of people, based on gender and other intersecting identity factors.
 - k) Provide information and analyses to inform a recommendation on whether an exclusion regulation for offshore exploratory drilling would be appropriate in the context of the Canada-Nova Scotia offshore area.

4.0 SCOPE OF THE REGIONAL ASSESSMENT

4.1 Study Area

The proposed Study Area is based on the boundaries associated with the CNSOER Strategic Environmental Assessments (SEAs) and is based on the intersection of historic petroleum licences, offshore petroleum wells, marine conservation areas, and prospective geological features. The boundary has been extended to include additional offshore regions with potential for oil and gas development off Nova Scotia (Figure 1).

The proposed Study Area encompasses approximately 199,289 km², with distances from shore ranging from a minimum of 38 km to a maximum of 408 km. Water depths within the Study Area range from 0 m at Sable Island to approximately 4,334 m along the continental slope (Figure 1).

Regional Assessment of Oil and Gas Exploratory Drilling in the Canada-Nova Scotia Offshore Area
 DRAFT Terms of Reference

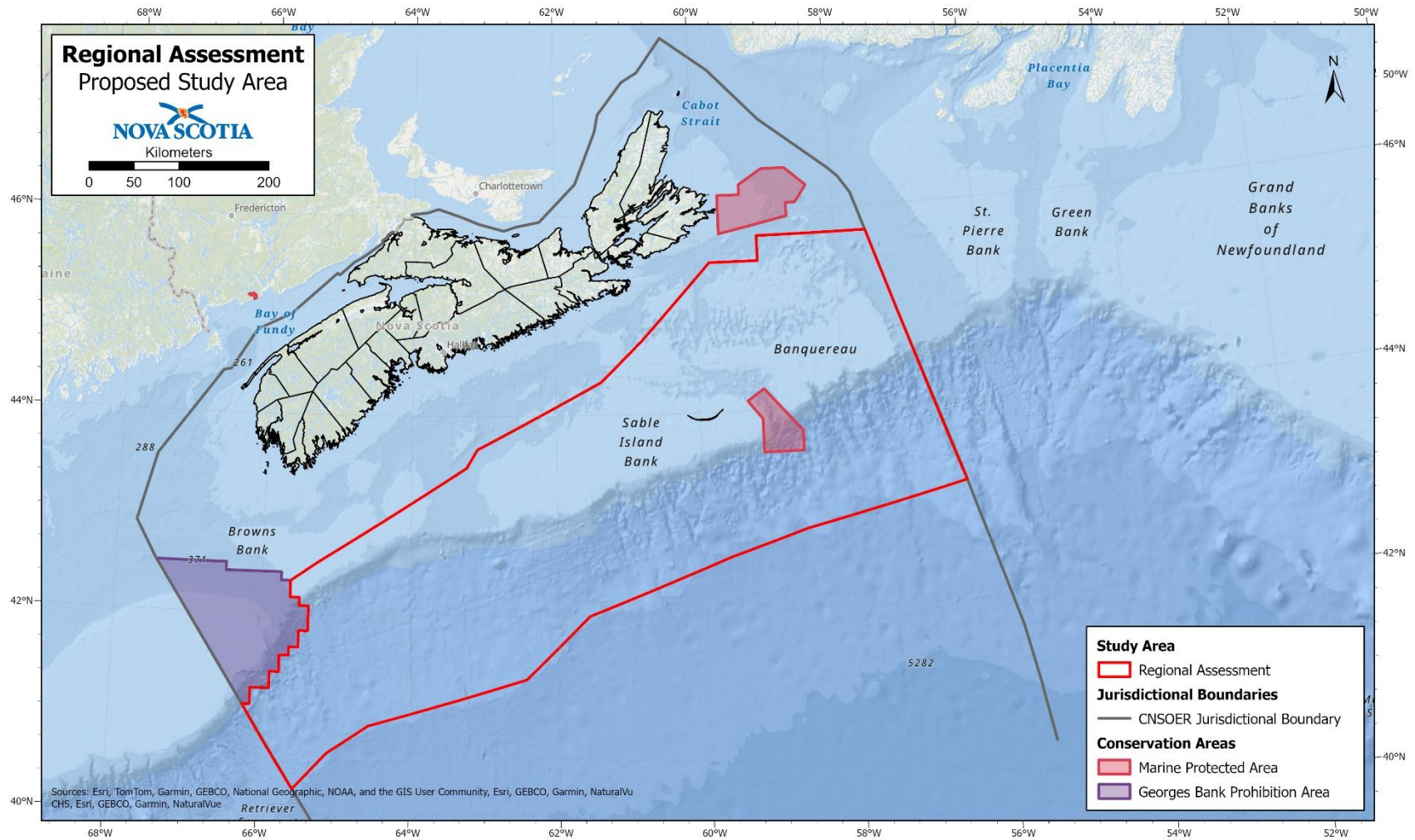


Figure 1. Proposed Study Area

4.2 Activities

The Regional Assessment will focus on offshore oil and gas exploratory drilling activities, including associated physical activities, infrastructure, and operations that may give rise to effects on Indigenous peoples, environmental, health, social, and/or economic valued components. These activities include but are not limited to:

- Seabed (e.g., pre-spud and ROV) surveys;
- Well drilling, testing (including vertical seismic profiling and flaring) and abandonment;
- Vessel and helicopter traffic; and
- Accidents and malfunctions.

4.3 Valued Components

The Regional Assessment will consider the following valued components that may be affected by the targeted physical activities (set out section 4.2) in the Study Area:

- environment;
- health, social and economic conditions; and
- the exercise of Indigenous rights with respect to fishing practices.

5.0 STRUCTURE OF THE REGIONAL ASSESSMENT

The Regional Assessment will be led by IAAC including review of relevant data, analysis of effects, engagement and consultation activities, report development, and the acquisition of specialized expertise. Throughout the process, IAAC will be supported by NRCan, NSDoE and the CNSOER who will provide information and expert input related to their respective mandates.

5.1 External Subject Matter Experts

- a) Independent expert advice may be contracted by IAAC to provide expertise on technical and analytical components of the regional assessment as appropriate.
- b) Information and advice will also be sought from the Mi'kmaq of Nova Scotia, other Indigenous peoples, other federal and provincial authorities, industry, non-governmental organizations, academics, and the public on matters relevant to the conduct of the Regional Assessment.

5.2 Report

The report will summarize engagement activities, present information for the Study Area, including findings and analyses, and provide recommendations aligned with the goal and objectives of the Regional Assessment. The report will also describe how shared Indigenous knowledge was considered and reflected throughout the assessment process, ensuring that Indigenous perspectives informed the analysis and findings.

A 30-day Public Comment Period will be held for the draft report and input received will be considered towards the completion of the final report.

Key documents associated with the Regional Assessment, including the Terms of Reference, and draft and final reports, will also be posted on the Regional Assessment page of the Registry (<https://iaac-aeic.gc.ca/050/evaluations/proj/90228>).

Note: The findings and recommendations of the Regional Assessment are advisory in nature and do not create binding obligations or decisions.

6.0 INDIGENOUS CONSULTATION AND ENGAGEMENT

- a) IAAC will consult and engage with the Mi'kmaq of Nova Scotia as the Indigenous Nation with established Aboriginal and Treaty rights in the Study Area, and with other Indigenous peoples who may have rights, interests, or knowledge relevant to the Study Area, throughout the Regional Assessment in a manner consistent with the Crown's duty to consult. Consultation will inform the conduct and outcomes of the Regional Assessment, as well as the potential development of future regulations and subsequent impact assessments.
- b) IAAC will develop and implement an Indigenous Engagement and Participation Plan (IEPP), in collaboration with the Mi'kmaq of Nova Scotia, and with opportunities for input from other Indigenous peoples identified as having potential interests in the area. The IEPP will identify participants, outline engagement activities, and reflect applicable consultation protocols.
- c) Engagement will seek Indigenous knowledge and perspectives, alongside scientific information, to inform the assessment of existing conditions, potential effects (including cumulative effects), and mitigation measures, as well as potential impacts on the rights of Indigenous peoples under section 35 of the *Constitution Act, 1982*.
- d) Indigenous knowledge will be considered and protected in accordance with applicable protocols.
- e) The Regional Assessment will document consultation activities, the views and knowledge shared, and how this information informed the findings and recommendations. IAAC recognizes that additional consultation may be required for any future regulatory development or project-specific impact assessments.

- f) Funding will be made available by IAAC to facilitate the involvement of Indigenous peoples in the Regional Assessment through IAAC's Participant Funding Program.

7.0 PUBLIC PARTICIPATION

Public participation will be focused on and aligned with the scope, purpose and objectives of the Regional Assessment.

- a) IAAC will ensure opportunities are provided to the public to participate meaningfully in the Regional Assessment by sharing information, and community knowledge or perspectives which may be relevant to the Regional Assessment.
- b) IAAC will engage those who may have information or input relevant to the Regional Assessment.
- c) Funding will be made available by IAAC to non-profit organizations and individuals to facilitate the involvement of participants in the Regional Assessment through IAAC's Participant Funding Program.

8.0 INFORMATION AND KNOWLEDGE

- a) IAAC will consider and include scientific information, Indigenous knowledge and community knowledge relevant to the scope of the Regional Assessment.
- b) Existing information and knowledge include, but is not limited to, those contained in any past or ongoing impact assessments, as well as any information or knowledge provided by government, Indigenous peoples and organizations, non-government organizations, industry, academia and research entities, or the public.
- c) The Registry will serve as the authoritative public record for the Regional Assessment, supporting transparency and accountability.
- d) IAAC will post a copy of the draft report in English and in French on the Registry (<https://iaac-aeic.gc.ca/050/evaluations/proj/90228>) and notify Indigenous peoples and the public when it is made available for review.
- e) IAAC will post a copy of the final report in English and in French on the Registry (<https://iaac-aeic.gc.ca/050/evaluations/proj/90228>) and notify Indigenous peoples and the public when it is made available.
- f) Information provided to IAAC as part of this process may also inform Crown efforts to develop and implement meaningful consultation processes with Indigenous peoples in future project-specific impact assessments and other regulatory and decision-making processes. IAAC will consider any such information received regarding Aboriginal or Treaty rights and will consider that information in its analysis and the development of its recommendations.

- g) IAAC will seek information from the Mi'kmaq of Nova Scotia on the nature and scope of any Aboriginal or Treaty rights protected by section 35 of the *Constitution Act, 1982* in the Study Area, as well as information on potential adverse impacts that future offshore oil and gas exploratory drilling activities in the Study Area may (individually or cumulatively) have on these rights.
- h) IAAC will consider Etuaptmumk (Two-Eyed Seeing) recognizing the strength of Indigenous ways of knowing and the strength of Western ways of knowing and use both competencies together.
- i) Indigenous knowledge that is shared in confidence is considered confidential and will not knowingly be, or be permitted to be, disclosed without written consent in accordance with section 119 of the IAA. Analyses, recommendations and findings based on confidential Indigenous knowledge should be justified and explained in general terms in the final report, so that the public should be able to understand IAAC's reasoning.
- j) Indigenous knowledge materials, and any related documentation utilized in determining outcomes of this assessment, are and shall remain the property of the Knowledge holder.