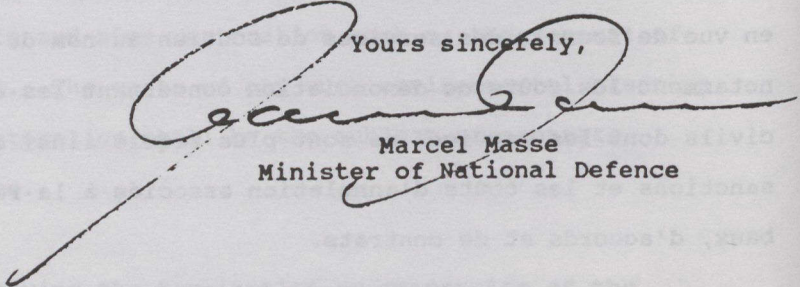


contractual agreements entered into by Canada for the provision of support services on behalf of the United Kingdom including, inter alia, termination costs associated with civilian employees rendered redundant and penalties and cancellation costs associated with the termination of leases, agreements and contracts.

If the foregoing is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland, I have the honour to propose that this Letter, which is authentic in English and French, and your Letter in reply, shall constitute an Agreement between our two Governments which shall enter into force on the date of your reply and shall remain in force until August 19, 2006.

Yours sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Marcel Masse', is written over the typed name and title.

Marcel Masse
Minister of National Defence

for Secretary of State
for External Affairs