



Nalcor Energy – Oil and Gas update on Parsons Pond drilling program

*September 9, 2010, St. John's, NL - Nalcor Energy – Oil and Gas (Nalcor) announced today it spud the second well of its Parsons Pond Drilling Program, *Nalcor et al Finnegan*.*

This is the second well of a three-well onshore exploration drilling program. The program is providing valuable information which will enable Nalcor and its partners to further assess the petroleum potential in this area. "We expect this program will incent further exploration and advance the development of the basin," said Jim Keating, VP Oil and Gas, Nalcor Energy.

The first well of the program, *Nalcor et al Seamus*, spud on February 16, 2010, reached the planned total drilling depth of 3,160 metres in May 2010 and is scheduled for further testing this fall.

Nalcor Energy has an average of 67 per cent gross working interest in three onshore exploration permits on the island's west coast. In addition to Nalcor Energy Oil and Gas Inc., there are four other partners with varying holdings in the three permits: Leprechaun Resources Ltd.; Deer Lake Oil and Gas Inc.; Investcan Energy Corporation; and Vulcan Minerals Inc.

Nalcor Energy – Oil and Gas is also a working interest partner in the White Rose Growth Project, Hibernia Southern Extension and Hebron offshore projects.

-30-

Media Contact:

Dawn Dalley, Manager, Corporate Communications

t. 709.737.1315 c. 709.727.7715

e. ddalley@nalcorenergy.com

09 - 09 - 2010

03:00 p.m. NT