



## **Nalcor Energy releases its 2009 Business and Financial Report**

May 17, 2010 - Nalcor Energy released its Business and Financial Report for the fiscal year ending December 31, 2009. The report was tabled today in the Newfoundland and Labrador House of Assembly by the Minister of Natural Resources, Honourable Kathy Dunderdale. The consolidated financial statements for Newfoundland and Labrador Hydro, a subsidiary of Nalcor Energy, was also tabled.

The 2009 consolidated net income for Nalcor Energy was \$60 million. This is a decrease in net income of \$22.2 million over last year and is primarily attributed to lower prices on the export market due to economic conditions, as well as a decline in earnings from Churchill Falls (Labrador) Corporation due to reduced sales to Hydro-Québec.

In addition, the company's debt to capital ratio for 2009 was 47 per cent compared to 56 per cent in 2008, representing an improvement in the company's balance sheet and financial outlook. Nalcor Energy's improved capital structure will be an important factor in facilitating its business objectives including the Lower Churchill Project, oil and gas and other energy investments.

"This past year was positive for Nalcor Energy highlighted by a number of accomplishments," said Ed Martin, Nalcor Energy's President and CEO. "From the acquisition of working interests in our offshore oil projects to the continued advancement of the Lower Churchill Project, we are taking the necessary steps to position Nalcor Energy as a significant driver of economic growth in Newfoundland and Labrador."

Key business performance highlights from 2009 include:

- The company maintained its drive for safety excellence in 2009 for reporting incidents, near misses and safe practices through its Safe Workplace Observation Program. Observations increased by 15 per cent over 2008.
- Nalcor made capital investments of \$178.1 million, including \$82.6 million for Oil and Gas. These investments were made without incurring any additional debt.
- Nalcor Energy – Oil and Gas acquired interests in two offshore oil developments and an average 67 per cent interest in three onshore exploration permits on the province's Northern Peninsula.
- Hydro switched to cleaner fuel at Holyrood Generating Station and further reduced some emissions from the plant by 30 per cent.



- The Environmental Impact Statement for lower Churchill Generation and Environmental Assessment for Labrador-Island Transmission Link were filed.
- Requested Hydro-Québec renegotiate the pricing terms for the remainder of the 1969 Power Contract between Churchill Falls (Labrador) Corporation and Hydro-Québec for upper Churchill power.
- The company signed an agreement to wheel power from the Churchill Falls plant through Québec to the Canadian-United States border.
- The island's two wind projects produced 154,377 megawatt hours, generating green energy for over 8,100 homes. Hydro has agreements to purchase energy produced by two 27 MW wind projects in St. Lawrence and Fermeuse.
- A new public safety campaign called Back it Up was launched by Hydro.
- Awarded more than \$40,000 in scholarships and endowments to Newfoundland and Labrador youth.

More information, and a copy of the 2009 Nalcor Energy Business and Financial Report, is available online at [nalcenergy.com](http://nalcenergy.com). Nalcor Energy will provide an overview of the 2009 Business and Financial Report at its Annual General Meeting (AGM) which will take place on Wednesday, June 9, 2010 from 2:00 p.m. to 4:00 p.m. at the Holiday Inn in St. John's. Additional information on how the public can register to attend the AGM is posted on Nalcor's website.

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#### About Nalcor Energy

*Nalcor Energy's business includes the development, generation, transmission and sale of electricity; the exploration, development, production and sale of oil and gas; industrial fabrication and energy marketing. Focused on sustainable growth, the company is leading the development of the province's energy resources and has a corporate-wide framework which facilitates the prudent management of its assets while continuing an unwavering focus on the safety of its workers and the public. Nalcor currently has five lines of business: Newfoundland and Labrador Hydro, Churchill Falls, Oil and Gas, Lower Churchill Project and Bull Arm Fabrication.*

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