



Nalcor Energy – Oil and Gas update on *Nalcor et al Seamus* well and Parsons Pond area drilling program

May 26, 2010, St. John's, NL - Nalcor Energy – Oil and Gas (Nalcor) announced today the first well of its Parsons Pond Drilling Program, *Nalcor et al Seamus*, which spud on February 16, 2010, has reached the planned total drilling depth of 3,160 meters.

“We reached our final drilling depth this past week on the first well of our three well program in the Parsons Pond area,” said Jim Keating, VP Nalcor Energy – Oil and Gas. “We encountered gas during drilling and intend to conduct testing to further assess the potential.”

The extent of flow characteristics and overall volumes of gas in place have yet to be determined. The well will be suspended to allow for further analysis of the data and to prepare testing plans. Next steps are the coordination and mobilization of necessary testing equipment. Testing will be conducted during the summer months and further information will be released following completion and analysis of the results.

Nalcor’s main operational objective was to gain information from this well which will allow further insight and assessment of the petroleum potential of this area. “The information obtained to date has already advanced our understanding of this basin,” said Keating. “The geological and geophysical prognosis of formation depths and stratigraphy anticipated from our pre-well analysis proved to be accurate.”

“Our top priorities on this drilling program continue to be safety and the environment. We drilled this well with no incidents and I’d like to commend our employees, contractors and partners for their diligence and commitment,” he noted.



“The drilling program is progressing according to plan,” said Keating, “and our investment in the local area continues. To date, we’ve invested over \$1.6 million in local and provincial goods and services and the majority of the rig crew are from the local area.”

Nalcor Energy – Oil and Gas is now preparing for the drilling of the second well of the planned three well program. It is anticipated that the drilling of *Nalcor et al Finnegan* will commence this summer.

The company has also received approval from the Environmental Review Process, relating to the third well in the program, *Nalcor et al Darcy*. New road construction required for this location will now start mid summer and drilling is anticipated to commence in the fall of 2010.

Nalcor Energy – Oil and Gas has an average of 67 per cent gross working interest in three onshore exploration permits in the Parsons Pond area, on the Island’s west coast. In addition to Nalcor, 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, Hibernia Southern extension and Hebron offshore projects.

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