



Nalcor Energy - Oil and Gas commences drilling in Parsons Pond

February 16, 2010 – Nalcor Energy Oil and Gas announced today it has started drilling operations on the first of three planned exploration wells in Parsons Pond, Western Newfoundland.

“The past few weeks have focused on getting the rig moved to the drill site in a safe manner and getting services organized for drilling operations,” said Jim Keating, Vice-President, Nalcor Energy – Oil and Gas. “Drilling is now underway with the first well being spud last night.”

This is the first of a three-well exploration drilling program expected to provide access to new, valuable information which will enable Nalcor and its partners to further assess the petroleum potential in this area. “We’re hopeful that improved prospectivity, resulting from increased exploration, will entice other proponents to come in to the area and help advance further exploration and development of the west coast basin,” explained Keating.

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.

-30-

Media Contact:

Dawn Dalley

t. 709.737.1315 c. 709.727.7715

e. ddalley@nalcenergy.com

02 - 16 - 2010

9:00 a.m.