



Environmental procedures followed for Parsons Pond onshore exploration program

March 14, 2011 – Nalcor Energy undertook an extensive environment approval process for the Parsons Pond onshore exploration project on the province's West Coast. Nalcor followed all compliance procedures and ensured all necessary permits were in place before drill site and road construction began.

- At the request of the Minister of Environment and Conversation, Nalcor submitted an Environmental Preview Report (EPR) in January 2010. After an extensive review of this report by an Environmental Assessment Committee, the Minister released the project under certain conditions. These conditions included the submission of an Environmental Protection Plan (EPP) and an Environmental Effects Monitoring plan (EEM), and stipulations on when road construction could be performed.
- The EPP and EEM extensively outline Nalcor's mitigation plans and process to minimize impact to the environment and woodland caribou. Nalcor worked closely with the Department of Environment and Conservation and the provincial wildlife division to ensure every effort was made to minimize impact on the environment and wildlife in this area.
- During the Parsons Pond program, any environmental issues that occurred were adequately addressed by procedures identified in the approved EPP. During road construction, there was a full-time caribou monitoring program in place and the placement of a bailey bridge was approved by the Department of Fisheries and Oceans as a location that would not impact salmon movement.
- Nalcor has made a decision not to drill a third exploration well at this time at the location where the Darcy road was constructed. A decision on decommissioning the road has not yet been made, as next steps for the onshore exploration program are still being considered and analyzed. Nalcor will follow through with all environmental commitments outlined in the EPP and EEM.



- The EPP states that the road will be rehabilitated if further exploration activity is not planned. Any decision to decommission the road will be made in consultation with the Department of Environment and Conservation.
- Rehabilitation requires the removal of two culvert structures and a bailey bridge (a portable structure used in construction projects to provide temporary access across a river, canal, etc), ditching the road in sections and planting alder beds at select locations along the road to deter ATV and snowmobile use on the road. The cost of rehabilitation is subject to public tendering.

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.

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