



## **Nalcor Energy Oil and Gas update on Parsons Pond area drilling program**

*December 8, 2010, St. John's, NL* - Nalcor Energy Oil and Gas (Nalcor) announced today the second well of its Parsons Pond Drilling Program, *Nalcor et al Finnegan*, which spud in early September, has reached total drilling depth of 3,130 meters.

"As with our first well in the area we encountered natural gas during drilling," said Jim Keating, Vice President Nalcor Energy Oil and Gas. "The well is currently suspended as we review the data and determine next steps including a potential test plan."

Nalcor is also about to commence testing on its first well, Seamus, which has been suspended after reaching total drilling depth in May 2010. A test rig is on site and testing will determine the extent of flow characteristics and overall volumes of natural gas in place.

Nalcor's main operational objective of this drilling program was to gain information from this well which will allow further insight and assessment of the petroleum potential of this area. Nalcor Energy is now preparing to drill the third well of the planned three well program. It is anticipated that the drilling of *Nalcor et al Darcy* will commence early in 2011.

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 Growth Project, Hibernia Southern extension and Hebron offshore projects.

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