



## **Nalcor driven study uncovers tremendous potential Offshore Newfoundland and Labrador**

New resource assessment shows 12 billion barrels of oil and 113 trillion cubic feet of gas potential

*October 1, 2015, St. John's, NL*– The Government of Newfoundland and Labrador, Nalcor Energy and Beicip-Franlab announced today that the “in place” oil and gas resource potential is 12 billion barrels of oil and 113 trillion cubic feet of gas for 2015 license round area in offshore Newfoundland and Labrador.

“This is an momentous day for the future of Newfoundland and Labrador’s oil and gas industry – we clearly know that there is more oil and gas waiting to be discovered and developed,” said the Honourable Paul Davis, Premier of Newfoundland and Labrador. “As a government, we have taken a leadership role in developing our resources for the benefit of the people of this province. Through this information, we know more about our resource potential than we ever have before. For the first time, detailed oil and gas resource numbers will be released in advance of a license round closing, providing a fair and level playing field for the global industry prior to bidding in the license rounds.”

With the support of the Government of Newfoundland and Labrador, since 2011 Nalcor has been the driving force behind one of the most comprehensive offshore oil and gas geoscience programs in the world. By the end of this year, over 100,000 line kilometres of 2D multi-client seismic data will be acquired and made available to the global oil and gas industry.

“Nalcor is focused on finding new oil and gas resources for the people of the province,” said Ed Martin, CEO and President, Nalcor Energy. “The study released today provides the province and industry with detailed knowledge that there is much more oil and gas to be developed in our offshore. If you consider Hibernia – our largest oil and gas discovery that started Newfoundland and Labrador’s oil and gas industry – at 12 billion barrels of “in place” oil potential we will have several more Hibernia-sized developments in an area covering a very small percentage of our offshore. We are seeing similar prospectivity in other areas - it is safe to say offshore Newfoundland and Labrador is poised for tremendous growth.”

The resource assessment carried out by global leading firm Beicip Franlab, is based on new geoscience data covering the eleven parcels on offer in the Flemish Pass. This is the first call for bids for offshore Newfoundland and Labrador under the Scheduled Land Tenure Regime.

“Through our detailed and scientific analysis of new data for offshore Newfoundland and Labrador, the oil and gas potential of the Flemish Pass area shows that the area contains abundant oil and gas resources,” said Jean Burrus, CEO, Beicip-Franlab.

The area covered by the resource assessment represents approximately 1.6 per cent or 24, 000 square kilometres of Newfoundland and Labrador’s offshore area, an area that covers more than 1.5 million square kilometres. To ensure maximum value is attained for the people of the province, resource assessments will be carried out on future license round areas with the results released to the global oil and gas industry prior to the license round bid closing.



To download a copy of the resource assessment, visit: [www.nalcorenergy.com/exploration](http://www.nalcorenergy.com/exploration).

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### **Study Background**

Nalcor Energy Oil and Gas Inc., in collaboration with the Newfoundland and Labrador Department of Natural Resources engaged global leading firm Beicip Franlab to assess the oil and gas potential in the Flemish Pass Basin. Specifically, the study area covers the eleven parcels of land on offer in the 2015 call for bids.

The study began with the detailed analysis of a 5 by 5 kilometre seismic grid from the Nalcor invested TGS and Petroleum Geo-Services (PGS) 2D seismic program. Data from ten publically available exploration wells in the study area was also incorporated into the analysis. Beicip Franlab used this data to create 3D models to estimate the in the ground oil and gas resource potential for the area.

Through the detailed analysis, 12 billion barrels of oil and 113 trillion cubic feet of gas resource potential are estimated to be “in place” on the eleven blocks on offer in the Flemish Pass Area. These numbers represent the most likely scenario for the potential oil and gas resources for the area. The low case, as identified in the report is 9.5 billion barrels of oil and 63 trillion cubic feet of gas potential, while the high case is 18.5 billion barrels of oil and 191 trillion cubic feet of gas potential for the area.

The new oil and gas assessment shows that the Flemish Pass Basin contains a prolific oil and gas system. It also provides the province with detailed knowledge of the Flemish Pass Basin around recent significant discoveries in the area.



## **Beicip Franlab**

Beicip-Franlab is a leading independent consultant with 45 years' experience in E&P and Geoscience Software. The company is part of the IFP Energies Nouvelles Group. Beicip-Franlab offers a full range of petroleum upstream consulting services, including enhanced oil recovery. Beicip-Franlab provides its clients with best-in-class advice and software. The company has hands-on expertise in most of the oil and gas jurisdictions around the world and is already serving over 1000 clients among the largest National and International Oil companies and Independents. Learn more at [www.beicip.com](http://www.beicip.com).