



Newfoundland & Labrador Oil & Gas Industries Association  
Box 44, Suite 602, Atlantic Place  
215 Water Street, St John's, NL A1C 6C9  
Tel: 709. 758.6610 / www.noianet.com

## Oil & Gas Outlook

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### 2009 Review

Despite the state of the global economy, the oil and gas industry here on the East Coast hasn't slowed down in the past year. In fact, the year saw substantial progress made across all sectors of the industry.

The three producing projects reached the 1 billion barrels produced milestone just 10 years after first oil from Hibernia. ExxonMobil filed the project description for Hebron and opened the project office. Hibernia South is getting closer to reality, as Government announced an MOU with project partners to develop the field. Work was completed on North Amethyst, with first oil expected in the first half of 2010.

Exploration continued full speed ahead this year both onshore and off. The west coast of NL was busy with seismic and drilling activity on a number of fronts. Offshore, there was with a discovery announced in the Flemish Pass Basin by Statoil, and Suncor completed the Ballicatters exploration well in the Jeanne d'Arc Basin. An electromagnetic survey was conducted in the Orphan Basin as well.

ConocoPhillips spudded the deepwater East Wolverine exploration well with the *Stena Carron* in late November in the Laurentian Basin.

Elsewhere in Atlantic Canada, the McCully and Sable projects continue apace. Deep Panuke is expecting to produce gas in 2010. A series of land sales continued to demonstrate increasing interest in oil and gas in the region.

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### Outlook 2010

The coming year is looking to be a busy one in oil and gas.

Producing projects will continue operations and both North Amethyst and Deep Panuke are expected to begin producing oil and gas respectively. Husky will be progressing the West White Rose pilot detail and ExxonMobil will continue to develop Hibernia South and Hebron plans. The Hebron DPA is expected by the end of 2010.

Exploration, the key to industry sustainability, does not look to be slowing but rather speeding up in the region. Offshore will see a number of exploration wells drilled in the active Jeanne d'Arc and also completion of the East Wolverine well in the Laurentian Basin. Chevron is planning to drill in the Orphan Basin as well subject to regulatory approval and rig availability. Seismic activity is planned in Labrador and the Sydney Basin.

Onshore NL will see a very active year indeed. Nalcor Energy, having taken operating interest in three parcels in Parsons Pond is planning a three well program to begin this year, the first well planned for February and two to follow in the latter half of the year. CIVC is also planning a three well program on some of its acreage, planning and permitting is underway, with a target start date of Q2 2010. Vulcan Minerals is planning both seismic and drill programs for 2010.