

Halifax, Nova Scotia (20 January 2012)

Today the Canada Nova Scotia Offshore Petroleum Board (CNSOPB) has confirmed evidence of renewed interest in Nova Scotia's offshore. The recent Call for Bids to secure exploration commitments in Nova Scotia's offshore have resulted in Shell Canada Limited committing to invest \$970 million in the offshore over the next six years.

"OETR wishes to congratulate Shell Canada Limited on their renewed commitment to continue exploration in our offshore," says OETR Executive Director Stephen Dempsey, "we are extremely excited by the prospects for significant new discoveries in our offshore energy sector."

In 2008, the Nova Scotia Department of Energy committed funding of ~\$15 million to OETR to create an industry standard Play Fairway Analysis (PFA) project. The funding was used to develop advanced geoscience studies, enhance data acquisition and provide new mapping technologies for Nova Scotia's offshore. Using innovative geoscience techniques, the PFA was completed by a world class calibre of researchers and organizations, including many from the local Nova Scotia geoscience research community. This comprehensive analysis was initially presented to key industry stakeholders in April 2011. The results were compelling – concluding that Nova Scotia's offshore potential reserves are as high as 121 trillion cubic feet of natural gas and 8.15 billion barrels of oil.

The analysis provided a clear picture of Nova Scotia's offshore resources that led to a Call for Bids for exploration rights for eight deep-water parcels of land in Nova Scotia's offshore by CNSOPB. "Today we discovered that the results of our offshore mapping have yielded significant industry interest in Nova Scotia's offshore. This is something we can all be excited about," said Joshua Leon, Dean of Engineering for Dalhousie University and president of the OETR Board of Directors.

"The Province of Nova Scotia and the Department of Energy should be commended for their commitment and support of the ground breaking research to complete the Play Fairway Analysis. I wish to also acknowledge that OETR's community of 100+ researchers and 25+ partner organizations from Nova Scotia and around the world have played a critical role in the results reported by the CNSOPB today," said Mr. Dempsey.

The enhanced geoscience data formed the basis to reignite interest for exploration in offshore Nova Scotia. The recent findings of the PFA research, along with the confirmation of today's news, indicates that not only is Nova Scotia's offshore resource-rich, it also has attractive potential for industry investment.

OETR continues to work on enhancing the effectiveness of the PFA by developing a work plan to further study geochemistry, reservoir quality, sediment delivery (Southwest margin), biostratigraphy, and seismic rock physics for offshore Nova Scotia, which will be implemented in the coming year.

OETR is dedicated to leading energy research initiatives, enabling the sustainable development of Nova Scotia's energy resources through strategic partnerships with academia, government and industry. Since its establishment in March 2006, OETR has managed 56 projects and has collaborated with over 100 Canadian and international researchers, with a total research investment valued at ~\$23 Million.

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