

LOCAL STOCKS

	CLOSE	CHNG.	VOL.
Altius Minerals	7.74	0.63	254,288
Bell Alliant	27.02	0.22	150,944
Bayswater Uranium	0.10	0	126,213
Cornerstone Res.	0.145	0	61,520
Cdn. Imp. Venture	0.05	0.01	10,977,398
Crosshair Explor.	0.2067	-0.0083	155,098
Frontier Dev. Group	4.40	0.01	498,923
Fortis	27.00	0.23	450,509
Husky Energy	27.54	0.14	599,849
Harvest Energy	9.94	0.01	2,035,831
Int. Royalty	7.06	2.35	15,020,348
IOCC Royalty	41.02	0.07	76,422
NewCap Corp.	7.05	-0.05	1,050
Northstar Elec.	0.39	0.01	58,019
New Island Res.	0.06	0	40,000
NWest Energy Inc.	0.105	0	0
Rambler	0.50	-0.06	41,000
Royal Roads Corp.	0.11	0.01	29,800
Rutter Inc.	0.13	0	0
Silver Spruce Res.	0.07	0.005	241,772
Vulcan Minerals	0.68	0.15	348,500

MARKETS

	CLOSE	CHNG.	VOL.
TSX 60	681.79	-1.59	107.6M
S&P/TSX	11,489.63	-21.17	417.4M
TSXV	1,434.40	-16.06	237.8M

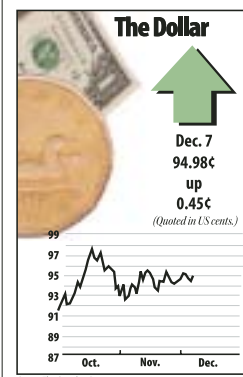
COMMODITIES

	CLOSE	PREVIOUS
Gold	\$1,157/oz	\$1,160/oz
Silver	\$18.19/oz	\$18.39/oz
Nickel	\$15,950/t	\$15,900/t
Copper	\$6,920/t	\$7,025/t
Brent Crude Oil	\$76.98	\$77.52
West Texas Crude	\$74.02	\$75.47

CURRENCIES

	CLOSE	PREVIOUS
U.S. Dollar	\$1.0529	\$1.0579
U.K. Pound	\$1.7313	\$1.7406
Japanese Yen	\$0.011764	\$0.011697
Euro (Cdn)	\$1.5601	\$1.5900

CANADIAN DOLLAR

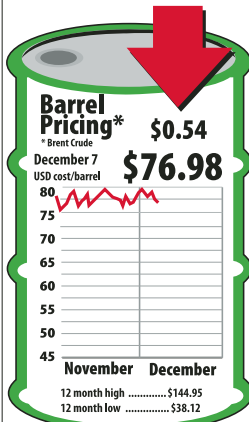


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ON TODAY'S WEBSITE

Check out a photo slideshow the 17th annual St. John's Board of Trade Business Excellence Awards gala held Wednesday, Dec. 2, 2009 at the Delta Hotel in St. John's.

www.thetelegram.com

ENERGY

Vulcan strikes natural gas

A decade of work pays off for Newfoundland-based exploration company

By **MOIRA BAIRD**
 THE TELEGRAM

Vulcan Minerals lit a big birthday candle for its 50-year-old president, Patrick Laracy, last week — flaring natural gas from a discovery well on Newfoundland's west coast.

It's the second discovery for Vulcan south of Stephenville where the company has been carrying out a \$15-million exploration program.

The company has plenty of work ahead to determine how much oil and gas is at the Red Brook No. 2 well.

We have to take it one step at a time, make the discovery, do our detailed testing and delineation work. It's looking very good — I'm very, very happy with what we've discovered there," Laracy said.

"Our first two deep wells have been two discoveries, and this is quite an accomplishment really."

It hasn't been an overnight success. For most of the past decade, Vulcan has been steadily exploring for oil and gas on the west coast.

"We've had our eyes open, and our ears open. We've been eliminating and it is a process of elimination ... making better choices as a result of your past experience," Laracy said.

"We've never lost faith. ... I think this is just the start of even more positive results to come."

The company must prove Red Brook No. 2 can pump natural gas at sustainable flow rates.

To do that, Vulcan is looking for a company to carry out a fracture stimulation program — injecting water or propane into the well to stimulate the flow of natural gas

from the source rock.

"Oftentimes ... you tap into zones of better permeability. There's always sweet spots in any oil and gas field."

Laracy says fracture stimulation, using propane, has been successfully done in New Brunswick.

"They're increasing the flow rate 10-fold."

Vulcan will use information gleaned from that process to estimate natural gas resources at Red Brook.

And Laracy has plenty of ideas on how to use natural gas.

The possibilities include building a pipeline and exporting it via Nova Scotia or using the energy for local industry.

But his preference is generating power for the island's electrical grid.

"This is a resource that will see a usage in Newfoundland, I have no doubt about it," he said.

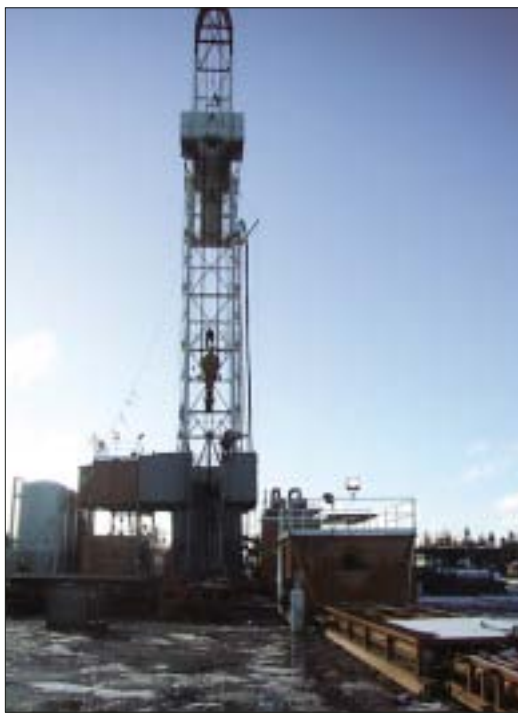
"I think the most realistic usage may be the generation of electricity ... because Holyrood is burning Bunker C oil, and it's an environmental pollutant.

"Natural gas is a relatively clean form of energy compared to that."

Laracy envisions a small thermal plant on the west coast to generate electricity the same way Holyrood does using more costly Bunker C crude.

Vulcan, which is also a partner in Parson's Pond with Nalcor Energy, may send its drill rig north to carry out a planned \$20-million, three-well program led by the province's energy corporation.

Nalcor expects to be drilling at that Northern Peninsula exploration property sometime in



The drill rig at Vulcan's discovery well, Red Brook No. 2, which struck natural gas last Tuesday. — Submitted photo

January.

"We're talking with Nalcor and I'm hopeful that rig will go up there."

As well, Laracy expects to be

drilling oil targets at Flat Bay this summer.

"We're going flat out."

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TRANSPORTATION

Drop trailer fee doubles

Marine Atlantic recovering greater portion of costs

By **NATALIE MUSSEAU**
 TRANSCONTINENTAL MEDIA
 PORT AUX BASQUES

A recent fee hike at Marine Atlantic could mean a few extra cents on grocery bills and other goods across the province.

Shane Esson, chairman of the Atlantic Provinces Trucking Association (APTA), said the trucking industry fully expects consumers will see the effect of the introduction of a \$210 drop trailer management fee, which came into effect Nov. 26.

The new fee replaces a \$101.75 jockey charge trucking companies paid to have drop trailers put on and taken off of the ferry.

The drop trailer service allows trailers to be dropped off at the ferry terminal by trucking companies and loaded aboard the vessel by Marine Atlantic staff.

It's the single largest segment of Marine Atlantic's business, according to company president and CEO Wayne Follett. He said the drop trailer business has increased more than 25 per cent during the last five years.

Follett said that increase in drop trailer business has led to increased costs for Marine Atlantic, such as the need to add and replace capital equipment, such as shunt trucks, used to deal with drop trailers.

Marine Atlantic also identified several other costs associated with providing drop trailer service that were not covered by the previous jockey charge, including administrative costs, security, shunt trucks and Roloc boxes to move the drop trailers, loading and unloading of the unit on the vessels and securing the unit on the vessel.

Follett said the company felt it

was necessary to recover a greater portion of those costs.

Esson said each of the dozen members of the Marine committee for APTA voiced concerns about the increase.

"Members feel that some form of increase was justified, however the amount of increase implemented, the timeframe provided and lack of consultation, are concerns our membership share," he said.

Marine Atlantic notified its commercial customers by letter of the price increase Oct. 2. It was due to come into effect Oct. 26.

The trucking association requested the increase be delayed until the new year.

"It was important to APTA membership that we have adequate time to re-visit the proposed increases in order to determine the impact these cost increases would have on our members and their customers," Esson said.

"Our membership also must provide its customers with adequate notification and justification of increases."

The association also wanted to consult with Marine Atlantic on the amount of increase required and try to negotiate mutually agreeable options.

Marine Atlantic's board of directors approved a delay until Nov. 26. The ferry company also instituted a drop trailer storage fee.

The drop trailer management fee covers storage for the first 24 hours after the unit arrives at its destination, but additional amounts will be charged on trailers not picked up by that time.

Between 24 and 48 hours will cost \$75 and every 24 hours after that will add another \$100.

See **TOWN**, page D2

SAFETY

Reverse psychology

Hydro employees set example by backing up cars

By **KERRI BREEN**
 THE TELEGRAM

Less than a quarter of the vehicles at the Village shopping mall parking lot were parked with their headlights facing out Monday afternoon.

But not five minutes' drive away, all of the hundreds of employee cars at Nalcor Energy's Newfoundland and Labrador Hydro Place are backed into their spaces.

Jim Haynes, Hydro's VP of regulated operations, said the company has been preaching this simple, but important practice to its employees for 15-20 years, and now it's bringing the message to the public.

"It's just a small thing we do. One of numerous things we do to encourage people to take small steps, and every small step contributes to safety," he said.

The "back it up" campaign is based on the idea it's safer to park reverse into a 90 degree angled parking spot than to drive into it.

"If you're coming out facing you have a good commanding view left and right," Haynes said. "When you're backing out you don't because you're twisting this way and twisting that way. You always have a blind spot behind you."

Haynes said the campaign is just a small part of Hydro's internal and external safety campaigns. Its website (<http://hydrosafety.ca>) has winter, home and electrical safety tips as well as videos.

Every meeting at Hydro starts with a safety moment, where employees hear safety tips that may or may not be job-related, Haynes said. The company also actively encourages its employees to report any safety issues they notice.

"We're trying to instill a safety culture in all of our employees and anybody else that we can," he said. "If people don't think safety 24-7 and we only push it at work, we will not achieve safety excellence."

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BRIEF

Time to end four-month strike: mayor

St. John's — The town council of Happy Valley-Goose Bay wants the United Steelworkers Union representing striking Voisey's Bay nickel mine workers and Vale Inco to return to the bargaining table.

Mayor Leo Abbass sent letters to both sides urging a "speedy resolution" to the strike that began Aug. 1.

"It is imperative that meaningful discussions

commence immediately to bring this strike to an end," he said in a statement.

"For over four months the employees have been affected by this job action. The stress that they, and their families, are undergoing must be extremely difficult.

"Businesses who depend on supplying goods and services to the mine site are also feeling the effects of this strike. It has already cost the local economy

millions of dollars in lost revenue and will continue to negatively affect our community until this strike is over."



Mayor **Leo Abbass**