

## **Goldnev makes fall plans for Noel, Provost wells**

Goldnev Resources Inc (C:GNZ)  
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Mr. Marc Dame reports

### **GOLDNEV RESOURCES INC. ANNOUNCES DEVELOPMENT PLAN FOR ITS 100% OWNED AND OPERATED OIL AND GAS PROPERTIES IN THE NOEL AND PROVOST AREAS**

Goldnev Resources Inc.'s technical team in conjunction with Chapman Petroleum Engineering Ltd. has now completed its engineering analysis and development plans for its recently acquired Noel and Provost properties.

Goldnev has previously advised in Stockwatch on May 3, 2006, of its acquisition of two oil and gas properties located in the Noel area of northeastern British Columbia and in the Provost area in northeastern Alberta. The company is the sole operator and owns a 100-per-cent interest in the two properties which include four sections of land containing three existing proven oil and gas wells. The company plans to recomplete, tie in and put onto production all three wells by the fall of 2006 with the implementation of the company's development plan. The budget to recomplete these three wells is estimated at \$650,000.

#### **The Noel property**

The Noel property located in northeastern B.C. will be the company's main focus of operations over the next 12 months, was acquired in a farm-in agreement with Devon Canada Corp., a major oil and gas producer. The company believes the property contains the potential for significant gas production and reserves and consists of a total of three sections of land and one gas well that has been drilled, tested and completed and which is located in the prolific Falher and Cadotte conglomerate reservoir trends. This region which Burlington Resources Canada Inc. is the major operator has multizone potential and many substantial gas wells with typical initial production rates ranging between two million to five million cubic feet per day (333 to 833 barrels of oil equivalent per day) and associated reserves of between two billion to eight billion cubic feet (333 thousand boe to 1,333 mboe). In addition this agreement provides the company with substantial seismic coverage and data in the immediate area, which will be instrumental in identifying optimum drilling locations for the further development potential of these lands.

In addition to the Falher and Cadotte zones, there are shallower zones in the existing wellbore that have been identified by log analysis and geological interpretation that the company believes may contain a substantial gas reservoir. The company's development

and exploitation plan is to first immediately tie in for production the A-87B well, and then secondly initiate a recompletion uphole in the A-87B well into an identified shallower zone. This will signal the completion of the initial phase of the development program.

The second phase of the development program will involve the drilling of up to three wells in this immediate area. The first well drilled will be the option well in the adjacent drilling spacing unit and will be drilled and tested to the Falher conglomerate zone. Well No. 2 will twin the A-87B well to the Falher zone that has been identified in the existing wellbore and then the company will drill and twin the option well to the identified shallower zones. Total expenditures to drill all three wells is estimated at \$3-million.

Charlie Chapman, vice-president, engineering, for Goldneve, commented: "The Noel property represents a significant geological environment and has the potential to become the core asset for the company. I see great opportunities to develop production rates comparable to existing wells in the area. As we gather more data, new targets should also unfold and I see us working successfully, in this region for many years to come."

#### Provost property

The Provost property in east-central Alberta consists of one section of land and two gas/oil wells that have both been drilled, tested and completed in the Viking zones. The initial development plans for the property is to immediately install liquid lifting/pumping equipment and reconfigure the wellbores on both wells to increase their production. The company expects to have this initial phase of the development program completed in the next 60 days. Upon completion of a detailed engineering evaluation, management will determine whether to continue to develop this property alone or welcome partners to share the future drilling and development costs.

Marc Dame, president of Goldneve, outlined: "Our business strategy, is to search out possible farm-in opportunities with major oil and gas companies in proven and promising development areas of Western Canada. The Noel agreement represents the first of several the company hopes to conclude over the next year. With many of the major companies shifting their production and operating focus towards larger scale oil and gas opportunities in northeastern B.C., the Alberta foothills, the oil sands and offshore internationally, the management of Goldneve believe it has the opportunity and the necessary business relationships to acquire, farm-in and develop future oil and gas properties of merit with some of the major oil and gas producers in Canada."

Mr. Dame further commented: "As sole operator of the properties, Goldneve has the advantage of complete control over the exploitation and management of the properties. Goldneve, through its arrangements with Chapman Petroleum Engineering Ltd. and its other technical and business associates, has under its management a team of experts capable of handling any technical and operational situation. This is evidenced by the confidence that Devon, a major oil producer, has demonstrated in accepting Goldneve as farmee and operator of their Noel property."

This acquisition by Goldneve of the Noel and Provost properties present the opportunity to produce significant production rates and contribute to the company production goals of producing at least 1,000 boe/d within the next 12 months.