

# GoldNev

## RESOURCES INC

### **Goldnev Announces Turner Valley Property and Infrastructure Acquisition**

**FOR IMMEDIATE RELEASE**

May 12, 2010

**Goldnev Resources Inc. (“Goldnev” or the “Corporation”)** (TSXV: GNZ) is pleased to announce that it has exercised its previously announced option and completed the acquisition of a 48% working interest in one section (640 acres) of oil and gas leases and infrastructure assets located in the Turner Valley area of southwestern Alberta, which were formerly owned by Talisman Energy Inc.

The net cash consideration for the acquisition of the Turner Valley assets is to be paid through a combination of certain minor acquisition expenses of approximately \$20,000 and a commitment to fund a re-entry operation of an existing wellbore estimated to cost \$240,000 net to Goldnev. The acquisition has an effective date of April 1, 2010 and was closed on Tuesday May 11, 2010.

#### **Acquisition Highlights**

The acquisition represents a strategic addition to the company providing a light oil production property including an important pipeline which is tied into a market connected oil and gas processing facility. The financial and operating benefits to shareholders include:

- Expected near-term production of up to 100 net barrels of oil per day and significant additional prospective resources to be developed.
- Controlling ownership in a suspended horizontal Rundle oil well which only requires the installation of downhole and pumping equipment in order to reinstate production.
- Controlling ownership in strategic infrastructure that includes a four mile, four inch oil, gas, water pipeline tied directly into an active oil and gas battery and processing facility.
- Significant opportunity for additional development of the Rundle and upper Blairmore zones.
- Lower than normal industry standard reserves and finding costs.

#### **Geological Setting**

The Corporation’s Turner Valley lands are located adjacent to and west of the historic main Turner Valley Rundle Pool and are located over an unexploited oil accumulation called the KEW structure which is a faulted out slice of the Turner Valley oil field fault system, believed to have been at one time part of the same structure as the producing Turner Valley field.

To date four oil wells have been drilled and encountered oil in the Rundle formation on the KEW structure, which has an area of closure of more than eleven sections. In 1998 Shell Canada drilled a horizontal well on the Corporation's acquired lands from the surface location at 31-21-20-3W5M. Upon completion and testing the well initially flowed at 600 STB/d, but soon afterwards water encroached through a major fault that the horizontal leg intersected. A conventional packer system was run in the horizontal leg but failed to stop the inflow of water, however the well continued to produce at a rate in the range of 70 STB/d and 300 bbls of water for a period of almost three years. The well was shut-in due to downhole equipment failure during a period of low oil prices at which time the cost of remedial action was not justified.

A series of shallower Mannville and Jurassic sands (the "Blairmore"), which are natural gas bearing in the area, represent a secondary opportunity. Talisman drilled approximately 30 such natural gas wells just south in the same field as the company's lands all of which are producing gas wells.

### **Analog Study of the Turner Valley Area**

A detailed study of Turner Valley Rundle field which has been producing since the 1940's indicated that the average recovery to date from a one section area is 5.7 million STB.

The analog study on approximately 30 Talisman Blairmore wells indicates about 2000 MMscf per well recovery for the Blairmore natural gas zones.

### **Operational Plans**

Goldneve plans on developing the Rundle zone in two stages. Stage one will involve re-entering the existing 13-21-20-3WM wellbore and using new packer and pumping technologies, to both stop the inflow of water from the fault and put the well onto production with the expectation for producing on a gross basis of between 100 – 200 STB/d. The re-entry operation is expected to be completed by June 30, 2010, currently the equipment and services are in the process of being ordered and scheduled and the re-entry work program has been finalized and approved by the other working interest owners. Stage two of the Rundle development program will involve drilling up to two additional horizontal wells from a pad on Goldneve's existing lease with the expectation of production rates from 400 STB/d to 600 STB/d per well. The drilling of the first Rundle oil well is expected to be completed in the winter of 2010 with the second well expected to be completed in early 2011.

### **About Goldneve**

Goldneve Resources Inc. is a public energy company focused on the exploration and development of conventional and unconventional hydrocarbons in northeastern British Columbia, southwestern Alberta and east central Saskatchewan. Goldneve shares trade on the TSX Venture Exchange under the symbol "GNZ."

Anyone wishing to be added to the Corporation's news release recipients list may forward an e-mail request to [info@goldneveresources.com](mailto:info@goldneveresources.com).

For further information on Goldneve, please visit our website at [www.goldneveresources.com](http://www.goldneveresources.com), or email at [info@goldneveresources.com](mailto:info@goldneveresources.com) or contact:

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