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NEWS RELEASE

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KERNOW PROVIDES UPDATE ON APPLICATION FOR GEOTHERMAL LICENCE (CHAVES PROPERTY) IN NORTHERN PORTUGAL

Mr. Alan Matthews, President of Kernow Resources & Developments Ltd., is pleased to provide the following update on its application for a Licence to explore for Geothermal Resources located in the area of Chaves in Northern Portugal and its relationship with Green Bull Energy Inc.

The tenure process and requirements under Portuguese Law

Under Portuguese law, geothermal resources are “the fluids and underground geological formations, of high temperature, whose heat can be susceptible of utilization”. This definition is sufficiently wide to cover all of the modern utilizations of this energy. The law further provides that geothermal resources belong to the public domain, but private companies and municipalities can apply for the right of exploration and exploitation, on the basis of a concession granted by the Ministry of Economy or, in the Autonomous Region of Azores, by the Regional Secretariat of Economy.

As in the mining industry, the exploration and exploitation of geothermal resources have to be carried out under the supervision of a “Technical Director”, generally a geologist or mining engineer, employed by the concessionaire and accepted by the Direcção Geral de Energia e Geologia (DGEG), the governmental agency in charge of all mining and oil development energy development in Portugal, or in The Azores by the regional authorities.

To obtain a Licence Kernow first has to submit a comprehensive document to the DGEG outlining the work program envisaged by it, the geological concepts that the application is based on, the area involved, the personnel that will be involved in the project, the amount of money to be invested and Kernow’s financial capabilities. Following receipt of the document, the DGEG reviews the contents and, if found in order, requests that Kernow publish the form of the application in two national newspapers and a local newspaper. Kernow published the application in the required newspapers on Friday 17th April, 2009.

Following publication in the newspapers, the DGEG will accept comments from the public and any interested parties. Subsequent to this and if there are no objections, Kernow and the DGEG will enter into negotiations regarding the amount of rental payments, the amount of a performance bond and any other conditions the DGEG sees fit to request. Once the two parties have agreed on the terms, the Licence is sent to the legal department of the DGEG for drafting into the form of a contract between the State and the applicant. Following this, the contract is signed at the timing of the State in a ceremony involving the Secretary for State and other government officials.

Title to the Chaves Geothermal Property has not yet been granted. If and when granted, it will give Kernow the right to explore for geothermal and hydrothermal resources.

Should title be granted, the initial licence period is 2 years. After the first year Kernow is obliged to reduce the surface area of the claim by 50%. The license can be renewed 3 times for a further 1 year each. The size of the claim must also be reduced by 50% at each renewal.

Background of Geothermal Resources in Portugal

The geology of Portugal is permissive for several different types of geothermal resources. On the mainland, where intrusive and crystalline rocks cover over 60% of the area, thermal waters are related with active faulting. At least twenty-seven hot springs are noted and have discharge temperatures of between 25°C and

75°C. The majority of these hot springs are located in the central and northern part of the country and as mentioned occur along major structural breaks. The waters are mostly used for balneotherapy.

In the sedimentary basins in the south of the country, particularly in the Lisbon area, where population densities are higher and consumers of geothermal energy are located, Lower Cretaceous reservoirs with temperatures up to 50°C were tapped for small multipurpose geothermal operations.

In the volcanic Azores Archipelago, on São Miguel Island, high enthalpy geothermal resources have been producing electrical power since 1980. The Pico Vermelho and Ribeira Grande geothermal power plants have a total installed capacity of approximately 12MW (megawatts) and supply over 25% of the electricity consumed on the island.

In Chaves, Northern Portugal, hot waters are tapped by the Municipality of Chaves which has a Licence to utilise the waters flowing from two wells drilled in metamorphosed slates. The fluids from the wells are used in a small district heating network (swimming-pool, hotel and a greenhouse). The first well is 147 metres deep, the water temperature is reported as being 76 °C, and flows at a rate of 5 litres per second. The second well also drilled through metamorphic slates with quartz veins is 98 metres deep and produces water at a temperature of 73 °C, and flows at a rate of 10 litres per second. This well feeds the thermal bath. A cooling tower is needed to cool part of the water to be used in the spa. The geothermal field is the heart of the town.

Location of the Property

The proposed licence area is centred around the City of Chaves located in the Trás os Montes region of Northern Portugal.

Chaves is the major population centre of the area applied for and is situated on the main transport route between Spain and the major population centers of Northern Portugal. The city of Chaves lies 150 kilometres NE of Porto and 38 kilometres south of Verin in Spain. From Chaves all parts of the property can be reached within a 30 minute drive along on paved roads. The Chaves hydrothermal system has been known and used for medicinal purposes since Roman times. As mentioned above, the thermal waters are currently tapped by springs as well as two boreholes that are 98 metres and 147 metres deep that are used for hydrotherapy and heating swimming pools.

Geology of the Area

The Chaves graben is 7 kilometres by 3 kilometres in extent and is situated at an altitude of 350 metres above sea level. The area applied for covers the majority of this area.

The Vilarelho da Raia–Chaves region is part of a major hydro-geological province where the upflow of thermo-mineral waters are structurally controlled by the fault systems associated with the NNE-SSW megafault extending from Verin (Spain) to Penacova (central Portugal). The geomorphology of this province is dominated by several tectonic depressions. The “Chaves basin” and “Vilarelho da Raia basin” are grabens whose axes are roughly oriented NNE-SSW. They are bounded at the east side by the edge of Padrela Mountain as an escarpment with a 400 metre throw in Chaves region. In the NW part of Vilarelho da Raia area, the geomorphology is controlled by the Larouco Mountain (1500 m above sea level) whose escarpment is oriented NNE-SSW.

The region is located in the Ante-Mesozoic Iberian Massif that consists mainly of Hercynian granites and Palaeozoic metasediments. The oldest formations correspond to the Schisto-Graywacke Complex (Pre-Ordovician). During Ordovician and Silurian times quartzites and schists were formed, being metamorphosed at the end of Palaeozoic by the Hercynian granitic intrusions.

The Vilarelho da Raia and Chaves granites have been classified into the alkaline granites of the 3rd Hercynian phase. The Silurian metamorphic formations have been recognised in both the eastern and western sides of the Chaves basin. The most recent formations are Miocene- Pleistocene sedimentary series (lacustrine, alluvial, detritic, etc.). These formations show variable thickness along the basins. Extensive neo-tectonic features were

originated by Alpine Orogeny. These events were responsible for the formation of what are perceived to be several low-enthalpy hydrothermal fields.

Nature and Goals of the Proposed Work Program

Research by Kernow and personnel from Green Bull Energy Inc. (with which Kernow has signed a letter of intent described below) subscribe to the theory proposed in The Geothermal Atlas of Europe, published by Hunter & Hamel 2002 compiled by Commission of the European Communities EUR 17811, 2002 that in the Chaves basin there are two forms of geothermal waters. The first is a re-circulating group that percolate downward through the extensive faulting system to mix with hot waters ascending from depth. The waters are heated by proximity to the granitic intrusions and through mixing. This is evidenced by the presence of relatively cold waters (17°C) at Vilarelho da Raia and relatively hot waters in close proximity at Chaves (up to 120°C). In addition differing gaseous phases are associated with each of the waters showing their different origins. It is Kernow's intention to demonstrate that there is a suitable heat source at depth that can be tapped to produce electricity using newly developed binary fluid generating machinery.

The geothermal gradient of the area has not yet been verified but is believed to be between 35° and 65°C per kilometre of depth. Estimates of the water temperature at depth range between 95°C (shallow) and 204°C (deep seated). Part of the proposed work program will be to establish the gradient and using mostly geophysical methods to establish the size of a "heat reservoir".

The work program proposed to the DEGE is as follows:

First Year

- Collect and analyse previous data;
- Undertake interpretation of satellite images and orthography;
- Complete Geological cartography;
- Examine the Geo-structural analysis of the region;
- Undertake Geophysical surveys, exact method yet to be determined but likely to include 3 D resistivity and remodelling of existing data.
- Undertake assessment of the applicability of ZTEM/ AirMt airborne AFMAG surveys to detect/ assist in geothermal exploration.
- Create analogous 2D Forward models that simulate the expected ZTEM/AirMt responses over Geothermal targets.

Second year

- Identification and selection of preferred drilling targets;
- Reverse circulation drilling combined with diamond drilling to allow for the taking of core samples, target depths will be determined by the geophysical data.
- Minimum target depths will be 500 metres.
- Drilling of a deep surface cased slim hole to determine the geothermal gradient.

Kernow has proposed to the DEGE to expend Euros 75,000 (approximately C\$120,000) in the first year of the Licence and Euros 175,000 (approximately C\$280,000) in the second year

About Green Bull Energy Inc.

Kernow has signed a Letter of Intent (LOI) with Green Bull Energy Inc., a private company controlled by one of Kernow's directors, Jerry L. Bulman. The LOI grants Green Bull the right to enter into a Joint Venture with Kernow to develop the area under application after paying the first Euro 100,000 (approximately C\$160,000) of exploration expenditures on the property. The LOI envisages that after the rights to the property have been granted and after Green Bull has expended the monies, the companies will enter into a 50/50 joint venture to further develop the property. The LOI is subject to Exchange approval.

Green Bull has been active in assisting Kernow in the assessment of the potential of the area. This assistance has been provided through Terry Moore. Mr. Moore has over 27 years of experience in the oil and gas industry as a drilling engineer both offshore and onshore. His diverse engineering background has brought him to all areas of Canada, the North Sea areas of the UK and Ireland. Mr. Moore specializes in complex well planning and offshore drilling facility design. Mr. Moore has worked as drilling engineer planning both shallow and deep wells and includes heavy oil, sour gas, and structurally complex fractured foothill wells.

In addition, Green Bull and Kernow will call on the services of BJ Kalsi. Mr. Kalsi has extensive experience in drilling operations and has over 20 years of experience in the oil and gas industry and his current occupation is a Completions Superintended/Engineer. Mr. Kalsi has held several supervisory positions both offshore and onshore with a number of companies in Canada, the Netherlands, France, Kazakhstan and Australia. His main areas of expertise are wellsite management, various types of drilling, Coal Bed Methane and remote and logistically challenged operations (i.e. located in the Arctic, Eastern Canada and Kazakhstan).

Both Mr. Moore and Mr. Kalsi have experience in the field of oilfield style geophysics.

Kernow has a team of geological consultants it can call upon in Portugal but has decided that to enhance its technical team by choosing a partner familiar with the proposed exploration activities. In addition Green Bull will provide the first Euro 100,000 (approximately C\$160,000) for the work program. Kernow will need to complete a financing to provide its portion of the work program and it is hoped that markets will be more favourable in the future.

Conclusion

Kernow, in conjunction with Green Bull personnel, intends on developing this grass roots project if geothermal resources are identified. To undertake that development, both Kernow and Green Bull will need to undertake further financing and possibly bring in a senior partner to develop any major discovery.

It is emphasized that the Licence has yet to be granted, the terms and conditions of the Licence have yet to be finalised and it may take several months to receive the contract. In the interim, further due diligence regarding water rights and land tenure over the area applied for will need to be undertaken.

About Kernow

Kernow is a mineral exploration company based in Porto, Portugal, with a portfolio of prospective gold projects in Portugal. It has a 100% interest in the Boticas Gold property, a 100% interest in the Alto Sobrido Gold and Antimony property and has a 49% interest in the Jales-Gralheira Gold property.

For further information concerning Kernow's activities please visit Kernow's web site at www.kernowresources.com or contact Mr. Alan Matthews by telephone in Portugal at + (351) 93 676 0927 or by facsimile at + (351) 22 609 5185 or by e-mail at: piran@mindspring.com.

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward looking statements regarding the ongoing and upcoming exploration work and expected geometry of geological formations and structures. Actual results may differ materially from those currently anticipated in such statements