

709 NEWS

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Case against NLRC stayed

*Creditor must approve sale of assets***BY DAVE BARTLETT**

THE TELEGRAM

The Supreme Court of Newfoundland and Labrador has granted a stay in court proceedings against Newfoundland and Labrador Refining Corp. (NLRC) after one of its creditors asked that the company be declared bankrupt last week.

On Tuesday morning, Justice Robert Hall granted the stay after lawyers for BAE Newplan Group — a wholly owned subsidiary of SNC Lavalin Inc.— agreed to the stay.

BAE Newplan alleges that NLRC owes it more than \$20 million for engineering work for a proposed second oil refinery for the province.

NLRC says it is working with a trustee, Ernst and Young Ltd., to try to keep the project alive.

But Tuesday's decision means BAE Newplan has to approve any sale of NLRC's assets and the restructuring plan it's currently working on.

The stay of proceedings will last 30 days, but can be extended by 45-day increments for up to six months.

NLRC managing director Brian Dalton spoke to reporters outside the court after the judge granted the stay.

Dalton said he was happy BAE Newplan was willing to grant the stay in hopes that the second refinery may still be built.

"This is exactly the decision we were seeking. And it came a little easier than we thought. We were certainly prepared to make full arguments today," said Dalton.

Dalton said it's now time to get back to work courting investors for the project and he said he hopes the damage caused by news of the court proceedings is reversible. "We can go and talk to the groups we were talking with last week and explain that, you know, we're basically back in the position we felt we would be today," he said. "It's been a crazy four or five days, no doubt."

"The first order of business is a little bit of sleep," he said. "But beyond that it's right back to work, roll up the sleeves and get this done."

Dalton said fluctuations in the market mean. He can't be confident investors can be found in the next six

months. But he said NLRC will be working as hard as it can to make a second oil refinery in this province a reality.

Lawyers for BAE Newplan said the company will not be commenting.

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NLRC managing director Brian Dalton leaves the Supreme Court of Newfoundland and Labrador Tuesday. — Photo by Dave Bartlett/The Telegram