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NEWFOUNDLAND AND LABRADOR REFINING CORPORATION REPORTS POSITIVE DECISION ON FEDERAL ENVIRONMENTAL ASSESSMENT

St. John's, Newfoundland and Labrador: Newfoundland and Labrador Refining Corporation ("NLRC") is pleased to report that today the Hon. John Baird, Minister of Environment Canada, through the Canadian Environmental Assessment Agency (CEAA), has announced a positive decision regarding the company's Southern Head Marine Terminal and Associated Works related to a Crude Oil Refinery Development Proposal in Placentia Bay, Newfoundland.

Having taken into consideration the Comprehensive Study Report and the results of the public comment period pursuant to section 22 of the *Canadian Environmental Assessment Act* (the Act), the Minister has stated that:

- No additional information is necessary and that public concerns raised have been addressed through the comprehensive study;
- The project, taking into account the mitigation measures described in the Comprehensive Study Report, is not likely to cause significant adverse environmental effects; and
- The mitigation measures and follow-up program described in the Comprehensive Study Report are appropriate for the proposed project.

The Minister has referred the project back to the responsible authorities, Transport Canada and Fisheries and Oceans Canada for appropriate action under section 37 of the Act.

The Minister has recommended that the responsible authorities ensure the implementation of the mitigation measures described in the comprehensive study report. The Minister also recommends that the responsible authorities implement the follow-up program described in the Comprehensive Study Report, in order to determine the effectiveness of the measures taken to mitigate any adverse environmental effects, and to verify the accuracy of the environmental assessment of the project.

This decision follows extensive public consultation and input on the Comprehensive Study Report, which was prepared and issued by the federal departments of Transport and Fisheries and Oceans through the Canadian Environmental Assessment Agency (CEAA) as well as a joint federal - provincial assessment through the Province of Newfoundland and Labrador's Department of Environment and Conservation.



**NEWFOUNDLAND & LABRADOR
REFINING CORPORATION**

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The decision and additional information can be viewed at the website of the Canadian Environmental Assessment Agency http://www.ceaa.gc.ca/050/viewer_e.cfm?cear_id=24726.

NLRC considers this regulatory approval an important milestone in its ongoing proposed refinery development initiative. However, it cautions that North American capital market conditions have not improved since its most recent update (see NLRC's news release dated March 14, 2008 (http://nlrefining.com/files/pr_1205511133.pdf)). The Company continues to explore project financing alternatives in other world markets with potential strategic partners as well as with potential lenders.

For further information about the proposed oil refinery project, please visit the company website at www.nlrefining.com or contact our corporate office.

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