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NEWFOUNDLAND AND LABRADOR REFINING CORPORATION SEEKS CREDITOR PROTECTION

St. John's, Newfoundland and Labrador: Newfoundland and Labrador Refining Corporation ("NLRC") announces that it has filed a Notice of Intention to Make a Proposal pursuant to the Bankruptcy and Insolvency Act ("BIA"). This will provide NLRC with a stay of proceedings against actions by creditors while it formulates a proposal for restructuring. This action was necessitated when SNC Lavalin, a contractor providing environmental and engineering services, served NLRC late yesterday with notice of proceedings in the Supreme Court of Newfoundland and Labrador seeking to have NLRC adjudged a bankrupt. NLRC intends to oppose the applications of SNC Lavalin.

NLRC management is currently working with its advisors to determine the optimum method of restructuring, which may include the sale of its assets. A further update will be provided at a later date once key decisions are made.

With the exception of its dispute with SNC Lavalin, NLRC has been in productive discussions with its creditors to resolve and restructure its debt arising from the challenges in sourcing financing due to the deterioration of North American finance markets earlier this year.

NLRC remains encouraged by the economic fundamentals of the proposed project and continues to pursue several potential alternatives to attract financing and/or partners.

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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