

**709 NEWS**

P.O. Box 2220, Suite 100

Tel : 576-NEWS (6397)

Fax: 709-753-7340

Website: [www.bristolgroup.ca](http://www.bristolgroup.ca)

139 Water Street, St. John's NL, A1C 6E6

Toll Free Tel: 1-888-709-NEWS (6397)

Toll Free Fax : 1-877-709-NEWS (6397)

E-mail: [709NEWS@bristolgroup.ca](mailto:709NEWS@bristolgroup.ca)

PUBLICATION:

**The Western Star – Corner Brook, NL**

DATE:

**June 24, 2008**

Page: 20

X

# Bankruptcy case against refining company stayed

By **DAVE BARTLETT**

TRANSCONTINENTAL MEDIA

**ST. JOHN'S** — The Supreme Court of Newfoundland and Labrador has granted a stay in court proceedings against Newfoundland and Labrador Refining Corporation (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 Limited, to try and keep the project alive.

But Tuesday's decision means BAE Newplan has to approve any sale of NLRC's assets and the restructuring plan that its 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 get built.

"This is exactly the decision we were seeking. And it came a little eas-



**NLRC managing director Brian Dalton speaks to media as he leaves the Supreme Court of Newfoundland and Labrador Tuesday.** — Telegram Photo

ier than we thought. We were certainly prepared to, 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," said Dalton.

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

Dalton said fluctuations in the market means he can't be confident investors can be found in the next six months. But he said NLRC will be working as hard as they can to make a second oil refinery in this province a reality.

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