

News release via Canada NewsWire, Halifax 902-422-1411

Attention Business & Entertainment Editors:
Newfoundland Capital Corporation reaches settlement with Halterm
Limited

DARTMOUTH, NS, Oct. 17 /CNW/ - Newfoundland Capital Corporation ("NCC" or "Company") (TSX: NCC.SV.A, NCC.MV.B) announced today that it has reached a settlement with Halterm Limited ("Halterm").

In connection with the disposition of the Company's interest in a container terminal to Halterm and the Halterm Income Fund (the "Fund") in May 1997, the Company indemnified Halterm for any material increases in the base rental fee payable by Halterm to the Halifax Port Corporation (now the Halifax Port Authority) for the first ten years of the first lease renewal term which commenced January 1, 2001. The indemnity was only applicable to the extent, if any, that such increases in the base rental fee result in a reduction in distributions to Fund unitholders to a level below that anticipated in the forecast included in the prospectus for the initial public offering of trust units of the Fund. On February 25, 2005 Halterm filed an Originating Notice and Statement of Claim pursuing a claim of \$1,800,000 with respect to this indemnity for 2003 and a claim of \$2,300,000 for 2004. Thereafter NCC filed its statement of defence.

"We feel strongly about our position in the case, however, continuing to defend this position would take several years and distract the Company from its core corporate duties and responsibilities," commented Rob Steele, President and Chief Executive Officer. "In consideration of the complexities of this case and the anticipated length of the legal campaign, the Company has reached a settlement with Halterm for \$3.5 million for all past, present and future claims."

NCC currently holds 1,118,400 units of the Fund, which is approximately 13.9% of the total units outstanding.

About Newfoundland Capital Corporation Limited

Newfoundland Capital Corporation Limited (TSX: NCC.SV.A, NCC.MV.B) is one of Canada's leading small and medium market radio broadcasters with 69 licences across Canada. The Company reaches millions of listeners each week through a variety of formats and is a recognized industry leader in radio programming, sales and networking.

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CO: Newfoundland Capital Corporation Limited

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