

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

Attention Business and Entertainment Editors:
Newfoundland Capital Corporation Limited

DARTMOUTH, NS, Feb. 28 /CNW/ - Newfoundland Capital Corporation Limited (NCC) today announced that it has been served with an Originating Notice and Statement of Claim from the Halterm Income Fund (Halterm) referring to an indemnity contained in an asset purchase agreement dated May 13, 1997.

NCC denies any liability under the agreement.

The indemnity is only applicable to the extent, if any, that an increase in the base rental fee charged by the Halifax Port Authority is the reason for the reduction in Halterm's distributable cash to a level below what was anticipated in the forecast included in the prospectus for the initial public offering of trust units of Halterm.

The inability of Halterm to meet its distributions has not been caused by the increase in the base rental fee, as alleged by Halterm, but rather the mismanagement of the business which resulted in substantial business and service losses and the mismanagement of its cash resources since 1997.

NCC will vigorously defend this action and will file its statement of defence in the near future.

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 65 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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