



Corner Brook Port Corporation
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FOR IMMEDIATE RELEASE
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Corner Brook Port Clarifies Contractual Arrangements with Oceanex, Inc.

CORNER BROOK – In response to recent inaccurate comments regarding Corner Brook Port Corporation (CBPC) and its agreement with Oceanex Inc., we would like to clarify our contractual arrangements with Oceanex Inc.

Mr. George Murphy, Q.C., Chairman of the Board of Directors of the Corner Brook Port Corporation stated “First of all, we would like to clarify that the Port of Corner Brook is open for all business and able to accept vessels from any operator or carrier at any time. There are no barriers to entry or access to the port which would prevent CBPC from negotiating a long term or one-off agreement for a single vessel or multiple calls.”

In 2008, CBPC and Oceanex signed a 5 year lease, which had six renewal terms of five years each providing for a total term of 35 years. To qualify for any renewal option Oceanex has to meet a minimum commitment in terms of tonnage and vessel calls. If the Port Corporation chooses to do so, the minimum commitment can be waived, however, this is solely at the discretion of the Board of Directors of the Port Corporation.

If either party terminates the lease, Oceanex is still required to fulfill its obligations related to the purchase of the crane and the construction of the maintenance garage. Currently, CBPC and Oceanex are in ongoing negotiations regarding the terms of renewal, and while either party can terminate this agreement at any time, Corner Brook Port Corporation feels it is to our mutual benefit to continue a contractual relationship. In the event that we do not sign a new agreement, we remain confident that Oceanex Inc. will honour its contractual commitments and pay the outstanding balance of its contractual obligation related to the crane and maintenance garage.

There are no provisions in the current lease, the previous agreement or the agreement under negotiation which would allow Oceanex to prevent other business or other vessels from coming into the port or availing of the services of the crane.

With regard to the purchase of the crane, the federal and provincial governments contributed a total of \$700,000 of taxpayer funds to the construction of the crane pad, and the remainder of the \$2,700,000 project, including the purchase of the crane itself, was financed jointly by the port and Oceanex. Corner Brook Port Corporation did not use federal contribution funds from divestiture for the crane project as this project does not meet the criteria for an eligible expenditure under the terms of the federal contribution agreement.

Mr. Murphy, further stated “We have a strong relationship with Oceanex and we continue to work together to explore mutually beneficial growth opportunities to diversify the economy of western Newfoundland. We remain hopeful that the level of business activity in the region will increase sufficiently to warrant a resumption of service to Corner Brook.”

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