

Date : 8/13/2012 12:25:56 PM
From : "Marshall Q.C., Hon. Thomas"
To : "Joyce, Luke"
Subject : RE: News Release - DBRS Report
OK with me.

From: Joyce, Luke
Sent: Monday, August 13, 2012 12:23 PM
To: Marshall Q.C., Hon. Thomas
Cc: Skinner, Laurie; Wells, Larry
Subject: News Release - DBRS Report
Importance: High

Minister, we have been asked to prepare a news release related to the DBRS report that was issued on Friday. Please see the attached for review. If possible, I need to get a draft upstairs by this afternoon.

Thanks,

- Luke

Finance
August 13, 2012

Province Receives Stable Grade from Credit Rating Agency

As many jurisdictions around the world see their credit ratings lowered, Newfoundland and Labrador has received a stable rating from Dominion Bonds and Rating Service (DBRS) in their most recent report.

In confirming the province's "A" and R-1 (low), Stable Trend status, DBRS highlighted the Government of Newfoundland and Labrador's "prudent fiscal management" as playing a role in the province's performance. The report also noted that while spending has increased, it has not outstripped revenue growth.

There is caution though that spending restraint will be necessary for the province to achieve its goal of returning to surplus position by 2014-15.

"This is just the latest confirmation that we are responsible stewards of the province's finances," said the Honourable Tom Marshall, Minister of Finance and President of Treasury Board. "Our efforts to rein in debt while continuing to strengthen the province's programs, infrastructure and services are paying off. We also recognize the challenges that were mentioned in the report, including the need for restraint when it comes to expenditures. That's why we are undertaking measures to review spending and implement savings where possible."

In discussing Muskrat Falls, the DBRS report notes that the long term benefits of the project are substantial and it should be of economic benefit to the province especially as it relates to diversifying the economy.

"Economic diversification is a difficult goal to accomplish but it is one we are aiming to achieve by developing projects like Muskrat Falls and eventually the entire Lower Churchill," said Minister Marshall. "Making this province an energy warehouse will benefit Newfoundlanders and Labradorians now and into the future."

The complete DBRS report can be found online at www.dbrs.com.

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