



NB Southern Railway

TO: All Employees

FROM: Ian Simpson

SUBJECT: Government Stimulus Funding to Upgrade NB Southern Railway

The day has finally come! I am pleased and proud to advise we have received support from both the Federal and Provincial Governments.

We will begin the project immediately and the work program will be significant and exciting.

As stated in the media release attached, each level of government will contribute \$9 million dollars and NBSR will be matching this for a total of \$36 million dollars to be completed by March 31st, 2011.

The strong reputation of our company and all of our employees has helped earn this funding.

I am excited by the opportunities and look forward to rolling out more details in the days and weeks ahead.

Not only will this continue to keep everyone working; we expect to hire 30-40 additional employees.

Thanks for your continued support.

Sincerely,

Media Release

Provincial, federal governments support New Brunswick Southern Railway (09/07/07)

MCADAM (CNB) - The New Brunswick and federal governments will invest up to \$18 million to support planned improvements to the New Brunswick Southern Railway. The company will provide the remainder of the funding for the project, which is expected to create jobs and build stronger communities across the province.

The announcement was made today in McAdam.

"Our investment in the New Brunswick Southern Railway project will maintain existing jobs and put people to work, and it will help provide benefits to the economic development of our province," said Premier Shawn Graham. "This investment will make New Brunswick shippers more competitive and allow New Brunswick to continue moving forward on the road to self-sufficiency."

The federal and provincial governments will jointly fund up to half of the estimated eligible project costs, or a maximum of \$9 million each. The federal funding will come from the Infrastructure Stimulus Fund (ISF).

"Stimulating our economy and keeping people working during these tough economic times is a top priority for our government," said Veterans Affairs Minister Greg Thompson. "Our government's support for the New Brunswick Southern Railway will increase transportation efficiency, create jobs, and inject additional capital into our economy."

Funding will be used to replace, upgrade and improve the ties, steel rail, rail bed and bridges and upgrade the railway's terminals in Saint John and McAdam. Funding will also be used to upgrade the mainline track from Saint John West to the New Brunswick-Maine border and from McAdam to St. Stephen.

"We appreciate the commitment of the federal and provincial governments to building quality rail access in the region," said Jim Irving, president of New Brunswick Southern Railway. "These railway upgrades are good for our customers, the environment and our business. In total, this project will deliver an estimated \$10.6 million in

wages and benefits over the next two years. In addition to sustaining 40 jobs at the railway, we anticipate hiring 35 to 40 people for the duration of this project."

Through Canada's Economic Action Plan, the federal government established the \$4-billion ISF, which provides funding to provincial, territorial and municipal construction-ready infrastructure rehabilitation projects. Funding will be available for two years for projects that will begin during the 2009 and 2010 construction seasons.

Canada and New Brunswick have agreed to work together to ensure that these funds are delivered quickly and efficiently so that construction may begin as soon as possible.

To learn more about Canada's Economic Action Plan, visit www.actionplan.gc.ca. For more information, visit www.creatingjobs.gc.ca.

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