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**8 September 2008**

**Newfound N.V.**

**(“Newfound”, the “Company” or the “Group”)**

**Humber Valley Resort Corporation files for protection under Canadian Companies' Creditors Arrangement Act**

Newfound N.V. (AIM: NFND) announces that on 5 September its subsidiary, Humber Valley Resort Corporation (“HVRC”), filed for protection against creditors under the Canadian Companies Creditors Arrangement Act (“CCAA”).

The Board has taken this decision following a thorough review of operations at the Humber Valley Resort by Stephen Bentley, Group Finance Director. This review has concluded that the resort is not economically viable and that to continue under its current structure would result in a prolonged drain on the Group’s resources.

Filing for protection under the CCAA allows the Group to steer the business through a restructuring process whilst a satisfactory compromise with creditors is sought and would not require the Group to provide further cash funding to HVRC.

This action does not impact the projects at St. Kitts and Nevis, which are unaffected and where the Board remains excited about the prospects. The Group will provide an update on trading at the time of the announcement of its interim results for the first half, which will be released later this month.

Applying for CCAA protection would have contravened the terms of the Noteholders Agreement pursuant to the recent £15m fundraising and to proceed with the process, the cooperation of Noteholders is required. In consideration for waiving the potential default and agreeing to cooperate with the process, Newfound has agreed to issue the Noteholders with a £2m non-interest bearing note secured on the assets of the Group pro-rata to their holdings.

The agreement to waive the default and issue a £2m note constitutes a related party transaction for the purpose of the AIM Rules due to the interests of the Agilo entities and Jayne McGivern. The Directors of the Company (with the exception of Miss McGivern), having consulted with the Company's nominated adviser, Collins Stewart, consider that the terms of the transaction are fair and reasonable insofar as the shareholders of the Company are concerned. In providing its advice, Collins Stewart has taken into account the commercial assessment of the Board.

**Jayne McGivern, Chief Executive Officer of Newfound, said:**

“This is not a decision we have taken lightly, but we knew that we would have to undertake a full and detailed review of operations at HVRC as some of the problems had been disclosed by previous management. Nevertheless, during forensic examination of HVRC’s long-term contractual commitments, it has become clear that HVRC, under its present structure, with its current commitments and constant cash requirements, is not a viable financial prospect.

We considered our options carefully, including sending HVRC straight into receivership, but the Board feels that that the creditors of HVRC would be better served by proceedings under the CCAA. Furthermore, Newfound does feel that there is long-term value within HVRC but this can only be realised after HVRC’s finances and commitment are put on a more realistic contractual footing.

By taking this step in the interest of shareholders, the Board believes that Newfound will be moved to a sound and stable financial basis. This will enable the Company to develop its assets - particularly the exciting prospects in St. Kitts and Nevis - and to make new investments, following the strategy laid out at the time the new Board was appointed in July 2008."

Enquiries:

**Newfound N.V.**

Jayne McGivern, CEO

**020 7470 2438**

**Collins Stewart Europe Limited**

Adrian Hadden

**020 7523 8350**

**Citigate Dewe Rogerson**

Media: George Cazenove / Nicola Smith

**020 7638 9571**

Notes to Editors:

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