

1 Q. Provide details of all sources that were consulted in determining the
2 applicable spreads on forecast long-term debt (JCR, page 7, line 1).

3

4 A. Spreads were selected for forecasting 2001 and 2002 interest rate
5 projections (yields) as provided by Scotia Capital for the Newfoundland
6 Government credit on April 9, 2001, for the 5, 10 and 30-year term and were
7 as follows:

8

9 The 5-year maturity at plus 34 basis points over the Government of Canada
10 Benchmark Bond 8.75% due December 2005.

11

12 The 10-year maturity at plus 63 basis points over the Government of Canada
13 Benchmark Bond 6.00% due June 2011.

14

15 The 30-year maturity at plus 75 basis points over the Government of Canada
16 Benchmark Bond 5.75% due June 2029.

17

18 These estimates were viewed in the context of similar estimates as provided
19 by other members of the underwriting syndicate and were considered
20 representative. Spread estimates from our advisors are based on actual
21 market transactions, and do not normally vary by more than one or two basis
22 points.