



News Release

Qulliq Energy Corporation decreases deficit

IQALUIT, Nunavut (October 21, 2005) -- Energy Minister Ed Picco and Board Chair Simon Merkosak today released the audited 2004-05 statements for Qulliq Energy Corporation.

For the fiscal year ending March 31, 2005 the Qulliq Energy Corporation reported a deficit of \$4.9 million, approximately 47% lower than last year, and the lowest recorded by the corporation.

“The new revenue you see in the financial statements are from new generation or recaptured from expenses, not from increased prices or fuel support or contributions from the Government of Nunavut. Between \$5 million to \$7 million in savings were generated by good corporate management,” said Picco.

“We listened to the concerns of Nunavummiut and challenged the corporation to become more efficient in its operations,” Picco said. “I’m pleased to report that the corporation responded effectively by improving its bottom line.”

“The corporation continues to face financial challenges,” said Merkosak, “but we have implemented significant reforms and accomplished real change over the past year. The numbers released today clearly show improvement. The board is very pleased with this progress.”

In August 2004 Qulliq Energy Corporation initiated a General Rate Application, stating that it could not continue to operate using 1998 prices. Energy price increases in April 2005 were limited to 15% to protect the Nunavut economy.

Nunavummiut asked for the corporation to significantly review expenditures and work to improve its financial standing. Rising fuel and other costs continue to put pressure on the company, but the current financial results demonstrate real gains for the company and stakeholders.

