Stornoway Portfolio Management requests full disclosure and reconsideration of the Jovian Capital Corp Senior Management Profit Plan

Toronto, April 30, 2012 /CNW/ – On February 8, 2012, Jovian Capital Corp. ("Jovian") issued a press release in connection with its third quarter 2012 financial results which contained the following cryptic statement:

> "In the quarter ended December 31, 2011, Jovian has recorded a preliminary provision for the Jovian senior management profit plan of $12.2 million attributed to the results of both continued and discontinued operations".

The Ravensource Fund, managed by Stornoway Portfolio Management Inc. ("Stornoway"), is a shareholder of Jovian Capital Corp. Stornoway's calculations show that the proposed $12.2 million payment amounts to:

- 17.6% of Jovian's fiscal 2012 net income, including gains on asset dispositions, to December 31, 2011;
- 9.6% of its book value;
- 10.5% of its market capitalization as of April 27, 2012; and
- 62.2% of its retained earnings.

Alarmed by the sheer scale of the proposed payment, Stornoway spoke to Jovian's senior management team to try to understand the aforementioned "senior management profit plan" (the "Plan") and the rationale behind the size of the award. Unsatisfied with management's response, Stornoway wrote to the Board of Directors of Jovian on April 10, 2012 to request that the Board immediately provide full public disclosure of all material provisions of the Plan and seriously reconsider the amounts which were proposed to be paid thereunder.

To date, Jovian's Board has not responded to this request.

In the face of a history of significant operating losses, Jovian's payout to its senior management under the Plan appears to have been triggered by a one-time capital gain on the sale of assets. In other words the payout is, in effect, based on a return **of** capital rather than a return **on** capital.

We believe that by granting this massive award, Jovian's Board is rewarding a management team that has failed abjectly to create shareholder value. Since the creation of Jovian in its current form on July 9th, 2003, Jovian's shares have declined by 6.2%, or 0.72% on an annualized basis. In comparison, over the same period of time, the TSX Total Return Index has appreciated by 114%, or 9% on an annualized basis. As the same senior management team has been at the helm of Jovian since 2003, this decline in the share price would seem to reflect the capital markets' concurrence with our assessment of management's performance.

The quantum of this rich award to senior management, particularly when measured against the metrics noted above, is certainly material to Jovian's shareholders. We would have expected the material terms of the Plan to have been outlined in the company's periodic Management Discussion and Analysis. Moreover, given its impact, we are of the view that the Plan itself is a material contract for Jovian which must be filed publicly. As part of the compensation package to senior management, we would have also expected annual detailed disclosure of the Plan in each management proxy circular delivered to shareholders in connection with every annual meeting since its adoption, as required by applicable law. However, after searching through public documents filed since Jovian became a public company, we could find no such disclosure.

In effect, this Plan is awarding 10% of the company's equity value to unidentified "senior management". In our view, most plans of this nature would be structured as equity plans that would require shareholder approval under applicable TSX rules. In our recent conversation with Philip Armstrong and Jason Mackey, Jovian's CEO and CFO, they made it clear to us that Jovian did not seek shareholder approval of the Plan because the Plan did not contemplate the issuance of securities to Senior Management. This strikes us as a matter of form over substance as the effect on shareholders is the same, namely a transfer of 10% of the equity value of Jovian to management in the form of cash, rather than shares, under a compensation plan the terms of which have not been disclosed to, or approved by, Jovian's shareholders.

We strongly believe that the management of the companies in which we invest should be well compensated when they deliver superior operating performance and create shareholder value. In addition, we expect our investee companies to do so in a transparent manner with full and proper disclosure. The proposed payout under the Plan fails both of these tests.

Given the failure of the Board to take any action in response to our concerns, we feel compelled to make those concerns public. Accordingly, we hereby publicly ask the Board to: (1) disclose the material provisions of the Plan and the identities of the members of senior management who are its beneficiaries; (2) file a copy of the Plan on SEDAR forthwith so it can be subject to public scrutiny; and (3) reconsider the payments proposed under the Plan for fiscal 2012.

We encourage other Jovian shareholders who share our concerns regarding this matter to communicate their concerns to the Board. In addition, we invite Jovian shareholders and other interested parties to contact us at the number listed below if they would like to discuss the matter further.

For further information contact:

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