

Newport Partners Income Fund Announces Suspension of Distributions

Toronto – October 8, 2008 – Newport Partners Income Fund (“NPF” or “the Fund”) (TSX:NPF.UN) today announced that it will suspend distributions to unitholders after the payment of the October 15, 2008 scheduled distribution. The Fund has taken this defensive action in order to preserve cash in the face of unstable capital markets and the prospect that the current economic slowdown could be prolonged and widespread. The Fund will further review its distribution policy when it determines that stability has returned to the capital markets.

“This decision was considered very carefully by the Trustees and management,” said Mr. Peter Wallace, President & CEO. “We determined that our most important objective is to preserve the value of the Fund’s holdings by ensuring that we have access to the financial resources that may be needed to deal with a prolonged period of neutral or negative growth in the economy. The businesses in our portfolio continue to perform in line with expectations, and provide the Fund with a diversified source of cash flow. We believe that the Fund and its unitholders will be much better served by preserving this cash and reducing debt, and thereby protecting the net asset value of these investments through this period of uncertainty.”

Cash retained by the Fund will be used to strengthen the balance sheet by paying down debt and increasing cash reserves, and when appropriate, repurchasing units. As part of this defensive strategy, the Fund continues to explore opportunities to realize cash on investments held in the portfolio. “We recently concluded a transaction to sell our investment in EZEE ATM LP, with all proceeds reducing debt, and we continue to review options to refinance the balance sheet of Golosky Energy Services,” added Mr. Wallace.

SOME FACTS ABOUT THE FUND

- Each of the 17 businesses in the portfolio is profitable;
- The Fund’s largest investments, Golosky and Quantum Murray continue to grow. Golosky has recently been awarded a new 5 year contract for total value of \$500 million with a major customer, and Quantum Murray has backlog in excess of \$90 million;
- Since inception the Fund has paid cash distributions totalling \$3.82 per unit;
- The Fund estimates that for the last twelve months total revenue is \$660 million, EBITDA is \$87 million and Distributable Cash is \$53 million;
- The Fund’s term debt under its Credit Facility is not a demand facility, and does not come due until December 2011. The Fund’s Convertible Debentures mature in December 2010 and December 2012 and can be repaid in equity at the option of the Fund;
- The Fund is in compliance with all covenants under its Credit Facility.

About Newport Partners Income Fund

Newport Partners Income Fund is an unincorporated, open-ended trust created to hold, through its investment in Newport Partners Commercial Trust, interests in Newport Private Yield LP, a limited partnership established under the laws of the Province of Ontario. NPF began trading on the TSX on August 8, 2005 under the symbol NPF.UN.

Newport Partners Income Fund is a publicly-traded diversified fund that invests in successful Canadian private businesses run by proven entrepreneurs at reasonable prices. We target above-average rates of return by putting our money to work behind talented entrepreneurs who have a record of success in their business and a growth opportunity for the future. Our unitholders share in the income generated by these businesses as well as their value appreciation. The Fund currently has \$545 million invested in 17 companies representing a diverse cross-section of the Canadian economy.

Non-GAAP Measures

The terms "distributable cash", and "EBITDA" (collectively the "Non-GAAP Measures") are financial measures used in this news release that are not standard measures under Canadian generally accepted accounting principles ("GAAP"). NPF's method of calculating Non-GAAP Measures may differ from the methods used by other issuers. Therefore, NPF's Non-GAAP Measures, as presented may not be comparable to similar measures presented by other issuers.

Distributable cash is not a standard measure under GAAP and is generally used by Canadian income funds as an indicator of financial performance. The Fund's method of calculating distributable cash may differ from similar computations as reported by other similar entities and, accordingly, may not be comparable to distributable cash as reported by such entities.

EBITDA refers to net earnings determined in accordance with GAAP, before depreciation and amortization, net of gain or loss on disposal of capital assets, interest expense and income tax expense. EBITDA is used by management and the Trustees as well as many investors to determine the ability of an issuer to generate cash from operations. Management also uses EBITDA to monitor the performance of the Fund's reportable segments.

Investors are cautioned that the Non-GAAP Measures are not alternatives to measures under GAAP and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the Units. These Non-GAAP Measures should only be used in conjunction with the financial statements included in the MD&A and the Fund's annual audited financial statements available on SEDAR at www.sedar.com or at www.newportpartners.ca.

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