



NEWPORT ANNOUNCES SUCCESSFUL ASSIGNMENT OF SENIOR DEBT FINANCING TO MARRET ASSET MANAGEMENT INC. ON BEHALF OF VARIOUS FUNDS UNDER MANAGEMENT

Toronto-December 20, 2010- Newport Partners Income Fund (the “**Fund**”) (TSX:NPF.UN, NPF.DB and NPF.DB.A) is pleased to announce that the assignment (the “**Assignment**”) to Marret Asset Management Inc. (“**Marret**”), on behalf of various funds under management (the assignee lenders under the Senior Credit Facility (as defined below) being herein after referred to as the “**Marret Lenders**”) of Newport Finance Corp.’s (“**NFC**”) senior secured credit facility (the “**Senior Credit Facility**”) was successfully completed today.

In connection with the Assignment, the Marret Lenders received an assignment of all of the rights and obligations of the lenders under the Senior Credit Facility, including under the current forbearance agreement and the related forbearance period, which the Marret Lenders agreed to extend until December 31, 2011, unless amendments curing existing events of default are entered into prior to that date. Marret, as agent and on behalf of the Marret Lenders, also entered into an amended and restated credit agreement with NFC and certain of its affiliates, providing improved borrowing terms to the Newport group of companies, as well as an amended and restated forbearance agreement.

The Assignment is the first of two transactions contemplated pursuant to the previously announced support agreements entered into amongst the Fund and NFC and each of Marret and K2 Associates Investment Management Inc. (“**K2**”). The second and final step is the exchange transaction pursuant to which the terms of the indenture for the Fund’s 7.5% debentures due December 31, 2010 (the “**2010 Debentures**”) and the 7.0% debentures due December 31, 2012 (the “**2012 Debentures**” and together with the 2010 Debentures, the “**Debentures**”) will be amended, amongst other things, to provide for the exchange of the Debentures for newly created second lien notes and subordinated unsecured notes of the Fund (the “**Exchange Transaction**”). The Exchange Transaction is subject to the execution of definitive documentation and approval of the TSX and approval by the requisite majorities of holders of the Debentures. The Fund will advise holders of the Debentures once a record date and a date for a meeting of holders of Debentures to vote on the Exchange Transaction has been set.

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. Securities of Newport Partners Income Fund 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. The Fund, currently has \$443 million invested in 13 companies representing a diverse cross-section of the Canadian economy.

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Forward-Looking Statements

Certain information included in this news release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other similar expressions concerning matters that are not historical facts. Without limitation, information regarding the closing of the transaction constitutes forward-looking information. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management of the Fund and the businesses in which the Fund holds an ownership interest (the “**Operating Partnerships**”). Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information, including risks related to the satisfaction of all closing conditions to the Refinancing and Exchange Transaction, the receipt of all required consents and approvals and the abilities, actions, financial condition and circumstances of other parties to the Refinancing and Exchange Transaction. These factors should not be considered exhaustive. In addition, in evaluating this information, investors should specifically consider various factors, including the risks outlined in the Fund’s public disclosure documents filed on SEDAR at www.sedar.com, which may cause actual events or results to differ materially from any forward-looking statement. In formulating forward-looking information herein, management has assumed that business and economic conditions affecting the Fund and the Operating Partnerships and the other parties to the Refinancing and Exchange Transaction will continue substantially in the ordinary course, including without limitation, with respect to general levels of economic activity. Although the forward-looking information is based on what management of the Fund and the Operating Partnerships consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management’s assumptions may prove to be incorrect. This forward-looking information is made as of the date of this news release, and the Fund does not assume any obligation to update or revise them to reflect new events or circumstances. Undue reliance should not be placed on forward-looking information. The Fund is providing the forward-looking financial information for the purpose of providing investors with some context for the information presented herein. Readers are cautioned that this information may not be appropriate for any other purpose.