

Date : 1/14/2008 2:20:56 PM

From : GBennett@nlh.nl.ca

To : "Crawley, Brian" , "Matthews, Elizabeth"

Subject : Re: News Release: Newfoundland and Labrador Hydro, Emera Inc. and Nova Scotia Power Inc. sign MOU to explore options for lower Churchill power

Hi Brian,

The 'deal' referred to by Ed is the final sanction - not the Emera arrangement.

... This work will lead to the portfolio that gets to the best deal.

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----- Original Message -----

From: "Crawley, Brian" [briancrawley@gov.nl.ca]

Sent: 01/14/2008 02:13 PM NST

To: Gilbert Bennett; "Matthews, Elizabeth" <elizabethmatthews@gov.nl.ca>

Subject: Re: News Release: Newfoundland and Labrador Hydro, Emera Inc. and Nova Scotia Power Inc. sign MOU to explore options for lower Churchill power

With one exception I'm fine with it provided elizabeth has seen it and reviewed it with the premier. My only comment is that Ed refers to this as a "deal". I would prefer to call it an agreement or perhaps arrangement. Brian

Sent Via BlackBerry

----- Original Message -----

From: GBennett@nlh.nl.ca <GBennett@nlh.nl.ca>

To: Crawley, Brian

Sent: Mon Jan 14 14:09:00 2008

Subject: Fw: News Release: Newfoundland and Labrador Hydro, Emera Inc. and Nova Scotia Power Inc. sign MOU to explore options for lower Churchill power

Brian,

This is the final draft...

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----- Original Message -----

From: Leona Barrington

Sent: 01/14/2008 01:42 PM NST

To: Lower Churchill Project Staff

Subject: News Release: Newfoundland and Labrador Hydro, Emera Inc. and Nova Scotia Power Inc. sign MOU to explore options for lower Churchill power

Hello everyone,

For your information, the release below is about to be issued for public consumption.

Newfoundland and Labrador Hydro, Emera Inc. and Nova Scotia Power Inc.
sign MOU to explore options for lower Churchill power

January 14, 2008 – Newfoundland and Labrador Hydro (Hydro), Emera Inc. and Nova Scotia Power Inc. (NSPI) announced today the signing of a Memorandum of Understanding (MOU) to explore the possibility of bringing energy from the Lower Churchill Project to the Maritimes and New England markets.

“This MOU complements our initiatives currently underway in other

jurisdictions and is another step in ensuring we have the right portfolio of markets for the Lower Churchill Project that will generate the best deal for the province,” said Ed Martin, President and CEO, Newfoundland and Labrador Hydro and the province’s energy corporation. “We are looking forward to working with both Emera and Nova Scotia Power in an effort to identify mutually beneficial opportunities for this renewable, predictably priced, clean energy.”

As a result of this agreement, Hydro, Emera and NSPI will work collaboratively to study in detail the technical, economic, financial and regulatory aspects related to exporting power from the Lower Churchill Project to these markets. At the conclusion of this preliminary assessment, the parties will decide if there is merit in advancing potential joint initiatives.

“This is a potential opportunity for Emera and for energy customers in both the Maritimes and New England,” said Chris Huskison, President and CEO of Emera Inc. “We are hopeful that the outcome of these studies will result in sustainable energy flow to the Maritimes and New England markets.”

A portfolio of market destinations and market access options for power from the Lower Churchill Project remain under consideration. Potential routing options being explored by Hydro include the Maritimes submarine route and transmission through Hydro-Quebec’s transmission system. All options are still under investigation.

“Fully assessing this opportunity is another element of Nova Scotia Power’s strategy to provide our customers more electricity from renewable sources, as well as an important example of co-operation among the Atlantic Provinces,” said Ralph Tedesco, President and CEO of Nova Scotia Power.

The Lower Churchill Hydroelectric Project is the most attractive undeveloped hydroelectric project in North America. Its two installations at Gull Island and Muskrat Falls will have a combined capacity of over 2,800 MW and can provide 16.7 Terawatt hours of electricity per year – enough electricity to power approximately 1.5 million homes and contribute significantly to the reduction of air emissions from thermal, coal and fossil fuel power generation. In particular, the projects could displace over 16 megatonnes of carbon dioxide emissions every year, equivalent to the annual greenhouse gas emissions from 3.2 million automobiles.

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Backgrounder

About Emera
(EMA-TSX) is an energy and services company with \$4.0 billion in assets. Electricity is Emera’s core business. The company has two wholly-owned

regulated electric utility subsidiaries, Nova Scotia Power Inc. and Bangor Hydro-Electric Company, which together serve 590,000 customers. Emera also owns 19% of St. Lucia Electricity Services Limited, which serves more than 50,000 customers on the Caribbean island of St. Lucia. In addition to its electric utility investments, Emera has a joint venture interest in Bear Swamp, a 600 megawatt pumped storage hydro-electric facility in northern Massachusetts; a 12.9% interest in the Maritimes & Northeast Pipeline; and Emera Energy Services which manages energy assets on behalf of third parties. Visit Emera on the web at www.emera.com.

About Newfoundland and Labrador Hydro

In 2007, the government of Newfoundland and Labrador released its provincial energy plan and a key outcome was the formation of a provincial energy corporation charged with pursuing business opportunities in the energy sector. The new corporation is the holding company for Newfoundland and Labrador Hydro, the fourth largest power utility in Canada with over 7,200 megawatts of operating capacity. Headquartered in St. John's, the energy corporation subsidiaries supply over 80 per cent of the province's electricity, operate the second largest underground hydropower station in the world and are leading the development of the Lower Churchill Project. The corporation is also expanding its operations into oil and gas with recent equity acquisitions in two major East Coast oil developments; Hebron and the White Rose Extensions and is pursuing business opportunities in wind generation, alternative energies and research and development.

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