

MINUTES OF THE THIRTEENTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON THURSDAY, JANUARY 29th, 2009 AT 09:10 A.M.

**Present in
Person:**

**J. Ottenheimer, Chair
C. Bennett
T. Clift
K. Marshall
E. Martin**

Present by Telephone: G. Shortall

**Present by
Invitation for
Part of the
Meeting:**

**Gilbert Bennett, Vice-President
Lower Churchill Project**

Secretary:

W. Chamberlain

152.

CONSTITUTION OF THE MEETING

Notice for the meeting was sent on January 14, 2009. A quorum of Directors being present, the special meeting was declared duly called and validly constituted for the transaction of business.

Chair advised that the purpose of this meeting was to receive an update from Management on various business unit initiatives.

153.

SAFETY MOMENT

W. Chamberlain presented a safety moment on safety in and around Hydro Place and referenced a recent email forwarded by the Manager of Supply Chain related to vehicle safety tips and parking at Hydro Place.

G. Bennett joined the meeting.

154. **BUSINESS UNIT UPDATES**155. **Lower Churchill Update**

G. Bennett commenced to provide a Lower Churchill Project update.

Market Access – G. Bennett provided an overview of the complaints filed with the Regie in Quebec regarding the first Lower Churchill OATT application to HQT.

K. Marshall joined the meeting.

G. Bennett further reported that an expert from the U.S. has been retained to provide support for the complaint and supports the grounds for the complaint.

Recall Contract - E. Martin provided an update with respect to the recall contract with Hydro Quebec which expires on March 31, 2009. He summarized the status of the negotiations with Hydro Quebec.

E. Martin advised that the second application filed with HQT seeking 250 MW of access to New York market was accepted by HQT and a Transmission Access Service Agreement is being sent to Newfoundland and Labrador Hydro ("Hydro") for execution indicating that upgrades are not required.

E. Martin further advised that if the recall contract is not successfully negotiated with Hydro Quebec or another market player by April 1, 2009 that the annual income from this contract would be impacted.

He also noted that a sale of the recall power into the New York clearing market would be at a floating price as opposed to the fixed price of the current contract. Negotiations will be progressed with all potential customers and will reassess as we draw closer to March 31st.

Maritime Route - E. Martin reported that meetings were held with Emera representatives with respect to transmission costs and pricing of power in the Maritimes' market and the delivery of power from the Lower Churchill Project into Nova Scotia, New Brunswick and to the Maine border.

Labrador - Island DC Link - G. Bennett noted that the environmental registration of the Labrador-Island Transmission Link is imminent and a copy of the Labrador – Island Transmission Link Environmental Assessment Registration document was circulated to Board members at the meeting.

G. Bennett confirmed that a Panel has been selected with respect to the EA Generation and that the EIS for the Generation Project will be filed shortly which likely will raise the profile of the Project.

Aluminum - E. Martin provided an update on negotiations with the aluminum smelter proponents and advised that negotiations are progressing and that one proponent will be selected to further progress the negotiations on this matter.

New Dawn - E. Martin provided an update with respect to the Tshash Petapen (New Dawn) Agreement discussions with the Innu Nation and First Nations. The parties are working to conclude the three agreements contemplated therein and the federal government will need to be included in the negotiations at the appropriate time. The intent is to be in a position to initial and sign off on the three agreements whereby the agreements would then be taken by the respective parties to their stakeholders for approval or ratification.

Engineering – An Expression of Interest with respect to engineering and design support has been prepared and will be released shortly and it is expected that the EOI process will likely take between 3 to 6 months.

G. Bennett left the meeting.

156.

Oil and Gas Update

E. Martin provided an update on current status of activities related to the Hebron and White Rose Extension projects.



157.

NL Hydro

E. Martin stated that 2008 was a difficult year for the core business which experienced difficulties in several areas including safety and operational performance. Equipment failures at the Holyrood Thermal Generating Station resulted in targets being missed but Management are working to address these issues and improve performance in 2009.

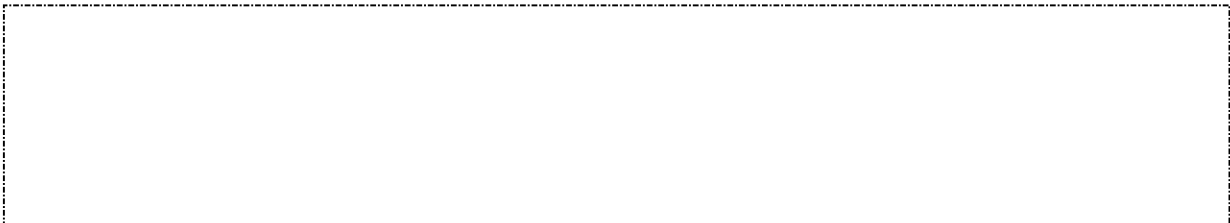
E. Martin circulated information on proposed organizational changes and W. Chamberlain left the meeting when the Board commenced to review this information.

158.

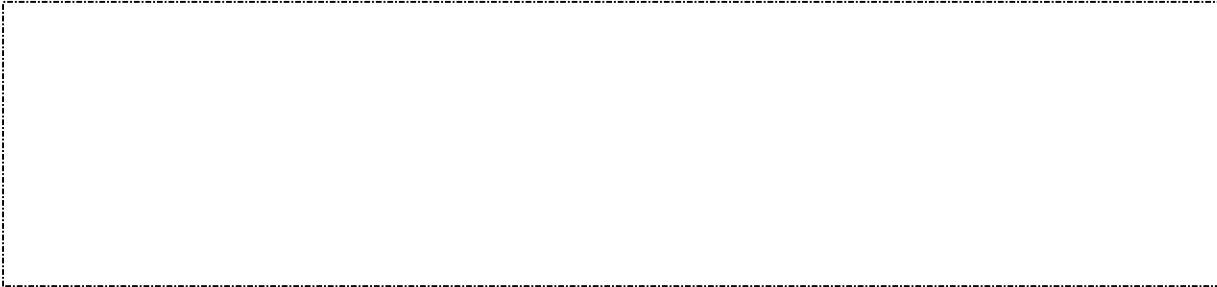
Churchill Falls (Labrador) Corporation



E. Martin advised that the Board has been provided with updates with respect to the corporate activities related to the cable fire. He also advised that the Act and regulations with respect to water management were recently proclaimed and that the Corporation expects to receive the downstream water rights to the Churchill River in the near future.



159.

Bull Arm Site Corporation ("BASC")

160.

Abitibi Asset Acquisition

Messrs. Martin and Chamberlain left the meeting for the In Camera.

161.

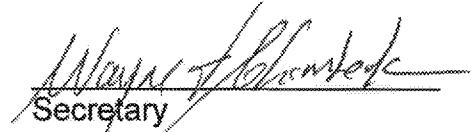
IN CAMERA

Messrs. Martin and Chamberlain returned to the meeting after conclusion of in camera session. The Chair advised that the telephone reception with respect to Board meetings has been poor for the last number of Board meetings and would ask Management to check the telephone equipment to determine the problem and endeavor to correct or improve the telephone communications. Secondly, the Chair confirmed once again that the Board continues to be concerned about Board and Board committee composition and size and Board compensation. Thirdly, a suggestion was made that consideration should be given to the appointment of an acting chair in the absence of the Chair at a Board meeting. Finally, the Chair advised that the following Board members are prepared to be appointed members of Board of Directors of the Bull Arm Site Corporation: J. Ottenheimer, C. Bennett, T. Clift and G. Shortall.

162.

TERMINATION

There being no further business the meeting terminated.


Secretary

Verified at a meeting held on

March 6, 2009



Chair