

MINUTES OF THE TWENTY-FOURTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON FRIDAY, MARCH 5th, 2010 AT 08:00 A.M.

Present: J. Ottenheimer, Chair
C. Bennett
T. Clift
K. Marshall
E. Martin
G. Shortall

Present by Invitation: Derrick Sturge, Vice-President Finance and Chief Financial Officer
Gilbert Bennett, Vice-President Lower Churchill Operations
Chris Kieley, Vice-President Strategic Planning and Business Development
Jim Keating, Vice-President Oil and Gas

Secretary: W. Chamberlain

294. CONSTITUTION OF THE MEETING

Notice of the meeting was forwarded to Directors on February 12, 2010. A quorum of Directors being present, the meeting was duly called and validly constituted.

D. Sturge joined the meeting.

295. SAFETY MOMENT

K. Marshall presented a safety moment on winter wear clothing and advised that Rogers had difficulty finding but found 2 suppliers that provided winter work wear clothing that was suitable for cold, fire retardant, waterproof, good mobility and was bright orange in color. The suppliers were Big Bill and Helly Hansen.

296. VERIFICATION OF MINUTES

A copy of the minutes of the **TWENTY-SECOND** and **TWENTY-THIRD** meetings of the Board of Directors of Nalcor Energy held on November 27, 2009 and February 12th, 2010, respectively, were included in the meeting papers circulated prior to the meeting.

On motion duly made by G. Shortall, seconded by T. Clift and unanimously carried, be it resolved:

THAT the minutes of the **TWENTY-SECOND** and **TWENTY-THIRD** meetings of the Board of Directors of Nalcor Energy held on November 27th, 2009 and February 12th, 2010, respectively, which minutes are currently before this meeting, be and they are hereby verified as being correct; and

THAT the Chairman be and he is hereby authorized to verify the minutes by signing the Minute Book

297. BUSINESS ARISING

There was no business arising.

298. BOARD COMMITTEE REPORTS**299. Audit Committee**

G. Shortall reported that the Committee met yesterday and both the external and internal auditors were present. He advised that the Nalcor Consolidated Financial Statements, Consolidated and Nonconsolidated Financial Statements of Newfoundland and Labrador Hydro and Churchill Falls (Labrador) Corporation were reviewed and a few minor changes were made. He advised that the Committee recommends that the Board approve the Nalcor Energy Financial Statements. He advised that the Financial Statements of the other Nalcor Energy companies will require approval of their respective boards of directors.

300. 2009 AUDIT**301. 2009 Consolidated Financial Statements**

D. Sturge reviewed the draft Consolidated Financial Statements dated December 31, that were included with the Board papers and circulated prior to the meeting.

On motion duly made by G. Shortall, seconded by K. Marshall and unanimously carried, be it resolved:

THAT the 2009 Consolidated Financial Statements comprising the Consolidated Balance Sheet as at December 31, 2009, and the Consolidated Statement of Income and Retained Earnings and Consolidated Statement of Cash Flows for the year-ended December 31, 2009, as tabled and initialed by the Secretary for identification, be and they are hereby approved; and

THAT J. Ottenheimer and G. Shortall, or any two Directors be and they are hereby authorized to sign said Balance Sheet on behalf of the Board.

302. Audit Results Report

D. Sturge reviewed the draft Deloitte 2009 Audit Results Report dated March 2010 that was included with the Board papers and circulated prior to the meeting.

G. Shortall referred to the summary of uncorrected misstatements which lists uncorrected misstatements, none of which, were considered material. G. Shortall advised that a misstatement on accruals for unpaid vacation that was not identified previously results in a \$2 million adjustment and was significant but fell short of being material. D. Sturge advised that an adjustment will be made every year with an impact of approximately \$40,000 to \$50,000 per year.

303. PRESIDENT'S REPORT**304. 2009 Performance Report**

E. Martin reviewed the 2009 Nalcor Plan Year-End Performance Report that was included with the Board papers and circulated prior to the meeting. He provided

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an overview of the 2009 key accomplishments and areas for improvement for the corporation and each of the lines of business.

E. Martin provided an update with respect to the Water Management application before the PUB and that the asset management framework has been developed and is being rolled out. The asset management plan will formally document all aspects of asset management.

He further advised that a long term plan to 2041 is being developed with respect to the Churchill Falls production and associated assets which will require significant expenditures and require a fundamental change in the company's approach to management of these assets in the short, medium and long term. The Company has retained a consultant, RDS who is familiar with the Churchill Falls assets, to assist in the development of this long term plan. It was noted that a communication plan will need to be developed around the rollout of this plan to ensure the public understands the benefits of such a long term plan that will require significant expenditures.

It was agreed that this Board would be provided with a presentation on the Churchill Falls long term plan in order to provide input into the development of the final long term plan.

E. Martin provided an update with respect to applications before the Regie in Quebec and with respect to the good faith legal proceedings commenced by CF(L)Co against Hydro Quebec with respect to the power contract.

He also reviewed 2009 Corporate Plan highlights and 2009 year end status of the corporate goals and targets.

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E. Martin reviewed the 2010-2014 Draft Corporate Plan that was included with the Board papers and circulated prior to the meeting. He provided an overview of the strategy framework, annual corporate planning process, vision, core purpose and values. The near term strategies (5 year plan) for lines of business and other activities such as wind, business development and R&D were reviewed.

The 2010 Corporate Plan target highlights were reviewed as well as the key areas of focus for the respective lines of business in 2010. E. Martin briefly reviewed the goals, objectives and 5 year targets for the 6 lines of business.

E. Martin advised that there will be a corporate focus in 2010 to progress the Lower Churchill project and as a result, new oil and gas activities may be limited and its personnel and expertise may be used to assist to progress the Lower Churchill project. There are some targets of opportunity that may be progressed but will be primarily limited to existing projects in 2010.

E. Martin provided Board members with a copy of the Employee Opinion Survey 2008 Results for their information.

G. Bennett and J. Keating joined the meeting.

306. BUSINESS UNIT REPORTS

307. Newfoundland and Labrador Hydro

It was agreed that the Newfoundland and Labrador Hydro update that was included with the Board papers and circulated prior to the meeting would be reviewed by Management at the Newfoundland and Labrador Hydro Board of

Directors meeting immediately following this meeting and accordingly, it was agreed that Management did not need to review the update at this meeting.

308. CF(L)Co

It was agreed that the CF(L)Co update that was included with the Board papers and circulated prior to the meeting would be reviewed by Management at the Newfoundland and Labrador Hydro Board of Directors meeting immediately following this meeting and accordingly it was agreed that Management did not need to review the update at this meeting.

309. Lower Churchill

G. Bennett reviewed the Lower Churchill Project report that was included with the Board papers and circulated prior to the meeting. He reviewed the 2009 Plan highlights and noted key issues were market access, Impact and Benefits Agreement with Labrador Innu and environmental assessment processes.

He reported that there were 2 medical treatment injuries in 2009 and that budgeted costs and resources were impacted by the delays associated with market access. He also reviewed the key accomplishments and areas for improvement. Market access was impacted by the postponement of the Regie hearing to 2010 with respect to the project's OATT applications in Quebec. The Impact and Benefits Agreement and Upper Churchill Redress Agreement were completed in early 2010 and the environmental assessment process did not progress as fast as expected as a result of a significant level of interest from interveners and the number of requests for information. In addition, a water management agreement was filed with the PUB and is progressing and an engineering expression of interest was issued.

E. Martin reviewed the possible markets and market access and advised that all are being progressed.

G. Bennett left the meeting.

310. Oil and Gas

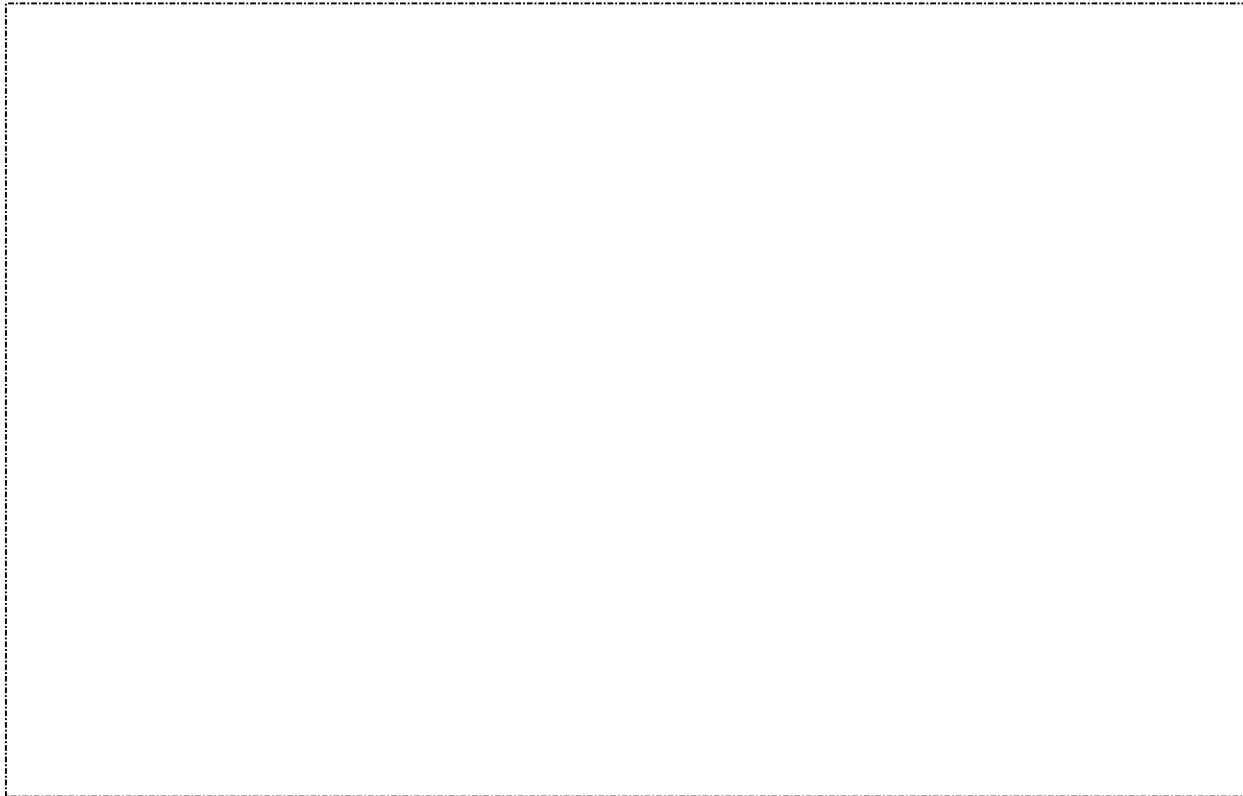
J. Keating reviewed the Oil and Gas Update report that was included with the Board papers and circulated prior to the meeting.

C. Kieley joined the meeting.

J. Keating left the meeting.

311. Bull Arm

C. Kieley reviewed the Bull Arm Fabrication Update report that was included with the Board papers and circulated prior to the meeting.



312.

Energy Marketing

C. Kieley reviewed the Energy Marketing Update report that was included with the Board papers and circulated prior to the meeting. He reviewed the monthly net revenue against the budget and revenue was less than budget as a result of low market prices. Despite the downturn in revenue the corporation did better than the New York ISO benchmark prices and as a result did as well as could be reasonably expected.

He reviewed the 2009 destination markets and also provided an overview of future opportunities including energy sales to New Brunswick, hedging activities and development and future marketing strategy.

D. Sturge provided an overview of the hedging activities that have been implemented with respect to energy marketing to better manage the financial risk.

313. Other Activities

C. Kieley reviewed the Other Activities Update report that was included with the Board papers and circulated prior to the meeting. He reviewed the Non-Regulated Generation 2009 Plan highlights and the safety triangle and noted there were no lost time and 1 medical treatment injuries for Exploits Generation and no lost time and no medical treatment injuries for Menihek in 2009.

He further reviewed the 2009 key accomplishments and significant events or opportunities with respect to the central Newfoundland hydro-electric assets and the Menihek facilities. C. Kieley reviewed the status of the other Business Development activities including island and Labrador wind projects and the Ramea WHD project.

C. Kieley left the meeting.

314. FINANCIAL REPORT

315. Financial Summary

D. Sturge reviewed the 2009 Year End Financial Report that was included with the Board papers and circulated prior to the meeting. He reviewed the key accomplishments in 2009 including [redacted] capital structure improvements, financial risk management, equity investments by Shareholder and direction to the regulator to provide Newfoundland and Labrador Hydro with a ROE comparable to Newfoundland Power.

He also provided an overview of the 2009 financial results for all lines of business.

316. Compliance Certificate

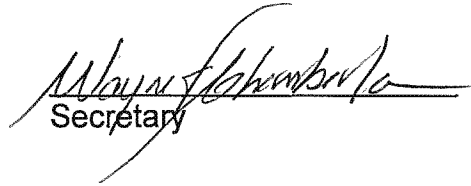
D. Sturge referred to the Compliance Certificate for the period ended January 31, 2010 that was included in the Board papers.

~~317.~~
~~281.~~ **NEXT MEETING**

The next meeting is scheduled for Friday, April 30, 2010.

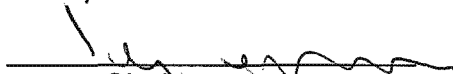
~~318.~~
~~283.~~ **TERMINATION**

There being no further business the meeting terminated.


Secretary

Verified at a meeting held on

April 30, 2010


Chair

ACTION LIST
 March 5, 2010

<p>November 21, 2008</p>	<p>Management to provide a presentation on historical information on oil and pricing in the oil commodity market (#124)</p>	<p>E. Martin</p>	<p>Future Meeting</p>
<p>September 25, 2009</p>	<p>Management assess the need for any further indemnities that may be required with respect to other officers of Nalcor Energy that are also officers of CF(L)Co.</p>	<p>E. Martin</p>	<p>Future Meeting</p>
<p>March 5, 2010</p>	<p>Presentation of draft CF(L)Co Long Term Plan</p>	<p>E. Martin</p>	<p>Future Meeting</p>